

POSTCARD
in a Pinch

According to Darrell...
 Only 4.1 million...
 landed last season...
 several years before...
 again, he added.
 "Most of our crabs...
 have been at it for...
 fewer years," said...
 "Back in the '50s...
 harvest was in April...
 and nobody went...
 as early as we do...
 now," Demery said.
 "The annual harvest...
 is about 60 percent...
 of what it was 10...
 years ago, and up to...
 14 percent of the...
 and small crabs that...
 back are dying...
 caught so often, he...
 added.
 "Demery agrees with...
 Hahn that the fleet...
 has thinned out. The...
 problem is...
 do it."
 While Hahn wants...
 the weather and...
 to limit the crab...
 the state regulations...
 "There's got to be...
 taken here or there...
 change," Demery...
 said.
 "It will be my...
 in the next few...
 the crab plan. One...
 will be to get the...
 balance."
 He favors limiting...
 the crab fleet to...
 be done through a...
 lots, or allowing...
 join the fishery...
 the gradually drops...
 retire or go broke.
 There is also talk...
 of one season off...
 it run June 15...
 tory said.
 "Talk to any fisherman...
 tell you there's too...
 there," said Demery...
 "I think you're...
 they can't tell you."
 "The day will come...
 fishery is back to...
 said Hahn. "But a...
 have to get hurt...
 first."

18 Killed Around Beirut
 At least 18 persons were killed and 64 wounded in heavy artillery exchanges Monday between Druze mountain villages and Christian residential neighborhoods around Beirut.

Some of the wounded crashed around the presidential palace as Mr. Rumsfeld held talks with President Amin Gemayel.

Schools closed in Christian East Beirut on Monday morning, and families there spent most of the day huddled in basement shelters as shells pounded that sector and Christian suburbs.

Spokesmen for the Druze Progressive Socialist Party militia said 16 Druze villages in the mountains overlooking the capital were hit in the fighting.

The Druze claimed both the army and the Lebanese Forces, a Phalangist militia, had shelled their towns, and they refused to agree to yet another of the constantly broken cease-fire agreements until responsibility was admitted on state radio and television.

Evening news programs acknowledged the battles, and an unusual military communiqué said the army had been reluctantly drawn into the fighting in the late afternoon after it had attempted all day to stay out. The army said four of its soldiers were killed in Monday's fighting.

U.S. marines, who came under attack three times last week, were not drawn into Monday's battles.

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Shultz Says Settlement With Syria Eludes U.S.
 By Bernard Gwertzman
 New York Times Service

STOCKHOLM — Secretary of State George P. Shultz said Monday that U.S. efforts to work out a political settlement in Lebanon with the Syrians had failed so far.

At a press conference in London before flying here for the opening Tuesday of the conference on European security, Mr. Shultz was asked for an appraisal of the lengthy talks between the U.S. special Middle East envoy, Donald H. Rumsfeld, and President Hafez al-Assad of Syria last Friday.

Until Monday, U.S. officials had declined to discuss the Rumsfeld mission publicly. But Mr. Shultz said: "As of now, it is not possible to report any real progress."

He said that discussions would continue, although he said he saw no likelihood of any imminent shift in Syria's position.

Syrian accounts of the Assad-Rumsfeld meeting said that the Syrian president held firm in insisting on the withdrawal of Israeli soldiers and the multinational force of U.S., British, French and Italian troops. Only then, the Syrians have said, would they be willing to discuss the withdrawal of their forces from Lebanon.

This latest sign of Syrian intractability came after administration officials said in Washington last week that they were hopeful that the Syrians would not try to sabotage political and security arrangements being worked out by the Lebanese government and the various Lebanese factions.

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The French arms producer Matra, the maker of the Otomat coastal defense missile (above), will be a supplier in the agreement that France signed Sunday with Saudi Arabia.

Saudi Fears of Expanding Gulf War Led to French Arms Deal, Sources Say

By Axel Krause
 International Herald Tribune

PARIS — An important purchase of French armaments by Saudi Arabia, which was announced Sunday, was probably motivated by Saudi fears of an escalation of the Iran-Iraq war and a desire to demonstrate support for French policy in the Middle East, French and U.S. sources said Monday.

Sources said the deal is worth \$5 billion francs (\$4.1 billion).

Few other details of the sale are available, but French industry and government sources said that the contract is a record for the French arms industry, which ranks third in the world in foreign sales after the United States and the Soviet Union.

France has been hit hard by the recession and, like its competitors, is actively seeking export orders.

Sources in both the industry and government spoke on the condition they not be identified.

Under the contract, France will supply Saudi Arabia with a highly sophisticated electronic air defense system, including mobile, low-altitude, surface-to-air missiles, beginning in "the relatively near future," a government official said.

The entire system was developed by state-owned Thomson-CSF, France's largest electronics company.

The missiles, known as the Shaheen and Crotale, are manufactured by Matra, a leading state-owned weapons maker. Saudi Arabia previously purchased the missiles from the two companies under a 1975 contract, mainly for the navy and for protection of tanks and air defense systems, but a company official said that transaction was "modest by comparison to the latest deal."

CIT-Alcatel, an affiliate of the nationalized Cie. Générale d'Electricité, will supply communications equipment.

The agreement between the French and Saudi governments, reported on Page 2, Col. 1.

Reagan Urges Moscow to Return To Arms Control Negotiations

U.S. Assailed By Gromyko

By Don Oberdorfer
 Washington Post Service

STOCKHOLM — The Soviet foreign minister, Andrei A. Gromyko, and other Warsaw Pact diplomatic chiefs, ignoring President Ronald Reagan's speech Monday, accused the United States of seeking "fruitless confrontation" on the eve of an international conference of East and West.

The accusation was made in a statement at the end of a Warsaw Pact foreign ministers' meeting Monday that was convened several hours after Mr. Reagan spoke in Washington on the need to reduce tensions.

The Warsaw Pact ministers' meeting was held at the Soviet Embassy in Stockholm, where Mr. Gromyko is scheduled to meet the U.S. secretary of state, George P. Shultz, on Wednesday in a resumption of high-level U.S.-Soviet dialogue that has been suspended since late last year.

Mr. Shultz said he would bring to the meeting "a broad and constructive agenda" but refused to predict the outcome. "I don't want to put any spin on it — optimism, pessimism or any other spin," he told reporters.

Mr. Gromyko said on his arrival from Moscow on Monday morning that he would "do everything" to solve East-West problems. The statement Monday night depicted Warsaw Pact nations as diligently pursuing peace and disarmament through constant dialogue in contrast with "the fruitless confrontation which Washington seeks."

The French external relations minister, Claude Cheysson, following a two-hour meeting with Mr. Gromyko, was not optimistic about the prospects for U.S.-Soviet cooperation. He said Mr. Gromyko did not seem to be in a mood for miming words, especially about U.S. policies, and that "a harsh condemnation" of Washington was likely in the speech to be made by Mr. Gromyko to the 35-nation conference, which formally opens here Tuesday.

The Swedish prime minister, Olof Palme, after a nearly two-hour meeting with Mr. Gromyko and a similar session with Mr. Shultz, was guarded about the prospects for reducing tensions.

Mr. Palme said he did not see "any major improvement" in the office despite Mr. Reagan's address and other factors.

"We have to go back a long time to see such a period of almost total lack of communication between the leading world powers," Mr. Palme said. He added that rather than a "rapid thaw" in international relations, there might be at best "a little bit of cautious melting."

Mr. Shultz said the United States hoped the conference would produce "measures to reduce the dangers of surprise attack and miscalculation in Europe by rendering military activity more open, more observable, more predictable and more subject to verification."

The United States is proposing that the Russians open their territory from the Polish border to the Urals so that Western observers can check on military maneuvers.



Andrei A. Gromyko, the Soviet foreign minister, held onto his hat Monday before getting in a car in Stockholm, where he arrived for the Conference on Disarmament in Europe.

Calls World 'Safer' Place

By James Gerstzenzang
 The Associated Press

WASHINGTON — President Ronald Reagan, declaring that "1984 is a year of opportunities for peace," challenged the Soviet Union on Monday to revive nuclear arms control talks and said that fears of war are understandable but mistaken.

In an otherwise conciliatory speech, Mr. Reagan asserted that the Soviet Union had violated arms control agreements. But he stated that as a result of the military buildup of his first three years in office, Americans "are safer now."

Mr. Reagan's advisers acknowledged that the speech was intended to dispel impressions of the president as "warlike" in the face of concerns that his political standing could be damaged in the election year by a negative image of U.S.-Soviet relations.

The speech was given before an audience of top government officials and members of Congress and delivered by satellite in time for European evening news broadcasts. "I believe 1984 finds the United States in its strongest position in years to establish a constructive and realistic working relationship with the Soviet Union," the president said, adding: "The opportunity for progress in arms control exists: the Soviet leaders should take advantage of it."

Mr. Reagan said the U.S. military buildup may account for the "strident rhetoric from the Kremlin recently."

"These harsh words have led some to speak of heightened uncertainty and an increased danger of conflict," Mr. Reagan said. "This is understandable, but profoundly mistaken. Look beyond the words, and one fact stands out: America's deterrence is more credible and it is making the world a safer place; safer because now there is less danger that the Soviet leadership will undermine our strength or question our resolve."

"We must and will engage the Soviets in a dialogue as serious and constructive as possible, a dialogue that will serve to promote peace in the troubled regions of the world, reduce the level of arms and build a constructive working relationship."

"Our strength is necessary to deter war and to facilitate negotiated solutions," Mr. Reagan said. "Soviet leaders know it makes sense to compromise only if they can get something in return. America now offers something in return."

The speech coincided with the arrival of Secretary of State George P. Shultz in Stockholm for a meeting with Soviet Foreign Minister Andrei A. Gromyko at the 35-nation Conference on Disarmament in Europe. Mr. Shultz and Mr. Gromyko are scheduled to meet privately Wednesday for the first time since September.

Absent from Mr. Reagan's address was the harsh language that marked most of his previous major speeches on U.S.-Soviet relations. Nor were there any major initiatives. The White House spokesman, Larry M. Speakes, had said that the address should be regarded as an underlying seriousness, commitment and determination.

(Continued on Page 2, Col. 4)

King Hussein Asks PLO for Cooperation

By Edward Walsh
 Washington Post Service

AMMAN, Jordan — King Hussein appealed Monday to the Palestine Liberation Organization to join Jordan in seeking a "practical formula" for Middle East peace negotiations, and told the Arab states of the region that they must welcome Egypt back to their ranks.

Addressing the opening session of the newly reconvened Jordanian Parliament, the king said that the Middle East stood at a "crossroads" and that, to meet the challenges facing the region, the Arab world must show more flexibility.

Specifically, the Jordanian monarch called for an end to the practice of insisting on unanimous decision-making by the Arab states in setting their collective policies, which he has criticized for giving effective veto power to such hard-line states as Syria. The alternative to such a change, he warned, is a continuation of "the circle of infested paralysis."

The main themes of the speech suggested that Hussein has cautioned the country's 19 states.

The regime of Major General Mohammed Buhari has come under criticism for its inability to name a cabinet, mixed signals over its strategy for dealing with Nigeria's economic woes and widely varying policies among the military governors it has appointed to rule the country's 19 states.

The government is also being criticized in some quarters for having allowed some prominent politicians to flee the country and for their families in redistribution. Some civilian leaders are reportedly reluctant to join the cabinet for fear that their families might be harassed by some future government.

No one is suggesting that Nigerians would prefer to return to civilian rule, but there is growing fear that if the military leaders do not deliver quickly on their promise of returning Nigeria to prosperity, a counter-coup by younger and presumably more radical officers could take place within the year.

"Buhari should bear in mind that the good will of Nigerians can easily be overdrawn," Yakubu Mohammed, a columnist in the National Concord newspaper, wrote last week.

The cabinet has been perhaps the greatest source of uncertainty. It was supposed to have been announced last week. Analysts say the delay reflects in part conflict among the military leaders over how many civilians, if any, should be included, as well as reluctance by civilian leaders to associate themselves with the new regime.

Meanwhile, government has ground to a virtual standstill, with many ministry bank accounts frozen and civil servants reluctant to make decisions even on trivial matters.



Nigeria's new leader, Major General Mohammed Buhari, during a weekend military ceremony in central Lagos.

Doubts About Regime Emerging in Nigeria

By Glenn Frankel
 Washington Post Service

LAGOS — Just over two weeks after the coup that toppled civilian rule in Nigeria, doubts are beginning to emerge publicly over the ability of the new military government to cope with the country's staggering problems.

The regime of Major General Mohammed Buhari has come under criticism for its inability to name a cabinet, mixed signals over its strategy for dealing with Nigeria's economic woes and widely varying policies among the military governors it has appointed to rule the country's 19 states.

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Reagan Brings Problems Down to 'Jim' and 'Ivan'

United Press International

WASHINGTON — President Ronald Reagan attempted to put world peace and the global arms race in common terms Monday, comparing megatons and throwweight in favor of "Jim" and "Ivan."

In a nationally televised address that was also beamed to Europe, Mr. Reagan outlined his principles for dealing with the Russians: realism, strength and dialogue. But, as he closed, Mr. Reagan said that the differences between the Soviet Union and the United States were in governmental structure and philosophy.

"The common interests have to do with the things of everyday life for people everywhere," the president said. He continued:

"Suppose, for a moment, Ivan and Anya found themselves in a waiting room, or sharing a shelter from the rain with Jim and Sally, and there was no language barrier to keep them from getting acquainted. Would they debate the differences between their respective governments? Or would they find themselves comparing notes about their children, and what each other did for a living?"

"Before they parted company, they would probably have touched on ambitions, hobbies, what they wanted for their children and the problems of making ends meet. And as they went their separate ways, Anya would be saying to Ivan, 'Wasn't she nice? She also teaches music.' Jim would be telling Sally what Ivan did or didn't like about his boss. They might even have decided that they were all going to get together for dinner some evening soon."

"Above all, they would have proven that people don't make wars. People want to raise their children in a world without fear and without war. They want to have some of the good things over and above bare subsistence that make life worth living. They want to work at some craft, trade or profession that gives them satisfaction and a sense of worth. Their common interests cross all borders."

Saudis Build Oil Reserve To Bunt Iranian Threat

By Richard Harwood
 Washington Post Service

RIYADH — Over the past two months Saudi Arabia has taken the necessary steps of loading and shipping out of the Gulf an emergency stockpile of 50 million barrels of oil.

According to an authoritative source, the action was taken out of concern that the Gulf may be blocked by Iran as an outgrowth of its war with Iraq. Iran has promised to impose the blockade if Iraq destroys Iran's principal refining and terminal facilities on Kharg Island in the northwestern part of the Gulf.

Such an attack, according to a Western source in Riyadh, the Saudi capital, becomes more likely as the four-year war drags on. It has become a war of attrition, which Iran bears more easily than Iraq.

The Iraqis, it is reported in Riyadh, "are very depressed. They can't win a war of attrition." Thus, a desperation strike against Kharg Island by the Iraqi Air Force has become a subject of speculation. Its purpose would be to cut off or cripple Iran's oil exports, estimated at 1.8 million barrels a day. The possibility is presumed to have prompted Saudi Arabia, which is allied with Iraq against Iran, to begin building a floating stockpile.

Saudi officials have not confirmed the action. But oil industry sources said the Saudis began chartering supertankers last month. By the end of December, 25 million barrels of oil had been loaded and

moved out of the Gulf. This month, the stockpile buildup has continued. Additional supertankers were chartered, and another 25 million barrels were loaded and put on the high seas.

Altogether, 30 tankers have been leased, at a charge of \$17,000 a day for each vessel. Some of them lie outside the entrance to the Gulf. Others are en route to the Caribbean, to Okinawa and to Bantary Bay in Ireland, where storage facilities are available. None of the oil has been sold because there is no demand for it in the current glutted market and because sale now is not the Saudi purpose.

If the Gulf were blocked, however, demand would become strong. There is speculation in Washington that one Saudi purpose in building the stockpile is to forestall U.S. military action in response to a blockade. President Jimmy Carter enunciated a "Carter doctrine" in 1980, pledging that the United States would keep the Gulf open under all circumstances. President Ronald Reagan has reaffirmed that commitment.

Some diplomats in Riyadh here regard the pledge as hollow.

"If Iran attacks only one or two tankers," a Western embassy official said, "they won't have to blockade the Gulf. Lloyd's of London will do it for them. The insurance rates would become prohibitive."

Another fear is that Iran would respond to an attack on Kharg Island with retaliatory strikes against oil fields and facilities in Saudi Arabia and Kuwait.

White Women Lose on Wages, U.S. Report Says

By Robert Pear
 New York Times Service

WASHINGTON — A new study of census data shows that the wages of white women entering the job market were further behind the wages of white men in 1980 than they were in 1970, despite affirmative-action programs and educational gains by women.

But the study said that black men and, to a lesser extent, black women reduced the disparity between their entering wages and the entering wages of white men.

The study by Gordon W. Green Jr., a senior official of the Census Bureau, attempted to measure the effects that discrimination has on the wages of young people in their first years of work, on the assumption that these people had the most to gain from affirmative-action programs and laws mandating equal employment opportunity.

Affirmative action programs are designed to remedy the effects of past discrimination and to prevent its recurrence.

But Mr. Green reported that the data strongly suggest that there was more wage discrimination against young white women entering the labor force in 1980 than in 1970.

Wage discrimination was defined as the difference in wages that could not be explained by education and other factors related to productivity.

"White the earnings gap between white males and blacks narrowed," the study concluded, "the earnings gap between white males and white females widened" by 3 percentage points.

Mr. Green said the finding came as a surprise because it coincided with a rapid increase in educational attainment for women and "educational attainment is very highly correlated with earnings."

In 1970, 19 percent of white women entering the job market had four or more years of college. By 1980, the figure was 27 percent. For white men the figure stayed constant at 27 percent.

"It is unclear why white female job entrants lost so much ground over the decade," Mr. Green said, "even though they substantially increased their productivity-related characteristics. Were women and blacks competing for the same jobs? And what was the role of affirmative action and equal employment opportunity in influencing the awarding of these jobs?"

Mr. Green, assistant chief of the Census Bureau's population division, reported the results of his study in a 230-page doctoral dissertation that he submitted last month to the department of economics at George Washington University.

Unlike previous studies, which compared average wages for all working men and women, Mr. Green concentrated on those who entered the labor force in 1970 and 1980 at an average age of 21 or 22.

For white women just entering the labor market in 1980, wages averaged \$4.20 an hour, or 83 percent of the average wages of \$5.04 an hour paid to white men joining the labor force.

In 1970, white women entering the labor market were paid an average of \$4.38 an hour, or 86 percent of the average wages of \$5.11 an hour paid to white men entering the labor force. All the dollar figures were adjusted to account for inflation and were expressed in terms of purchasing power in 1979.

Black men entering the labor force in 1980 earned \$4.45 an hour, on the average, or 88 percent of the wages paid to their white male counterparts. This represented an improvement from 80 percent in 1970. The average wage received by black women entering the job market in 1980 was \$3.99 an hour, or 79 percent of the white male wage, up slightly from 77 percent in 1970.

The Labor Department reported in September that the gap in earnings for men and women appeared to have narrowed slightly.

Last July a private nonprofit group, the Center for the Study of Social Policy, reported that the gap between average incomes of whites and blacks was as wide in 1981 as in 1960, primarily because of a sharp increase in the proportion of black families headed by women and a decline in the proportion of black men with jobs.

6 Million American Wives Found to Outearn Spouses

Washington Post Service

WASHINGTON — Six million American women earn more than their husbands, according to a Census Bureau study that found that 28 million of the nation's 49 million married women worked at least part of the year.

In 1.6 million two-income couples, the wife earned twice as much as the husband, often because the husband was not working full time.

The study, based on 1981 records, also found that black wives outearned their husbands about twice as often as white or Hispanic women.

Of the six million women who earned more than their spouses, about two million had husbands who did not work, usually because they were disabled or retired. In another two million families, the wife earned more because the husband did not work full time year-round, often because he had been laid off or because his hours had been cut.

Many of the remaining two million women held blue-collar or service jobs. But the group included an estimated \$60,000 "female superstars" — women in managerial and professional positions who often had higher educational achievements than their husbands and who outearned their spouses with full-time year-round jobs.

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West German General's Firing Engulfs Bonn in Murky Affair

By James M. Markham
New York Times Service

BONN — Already unsettled by corruption charges against the West German economics minister, Otto Lambsdorff, Chancellor Helmut Kohl's government finds itself embroiled in a murky affair involving accusations of homosexuality against a senior four-star general.

On Dec. 31, Defense Minister Manfred Wörner, retired General Günther Kiesling, deputy to the American commander of al-

lied forces in Europe, because of reports from West German military counterintelligence that the general, 58, had frequented homosexual bars in Cologne.

Once the West German press reported the allegations of homosexuality, General Kiesling insisted that his name was being smeared, that he was not homosexual and that he had never set foot in the Tom Tom Club or Café Wüsten in Cologne. But Mr. Wörner insisted that he had "no choice" but to remove him, as a

security risk, from his Brussels post.

Over the weekend, the Cologne police announced that they had learned of a man known as the Tom Tom Club who "bears a close resemblance" to the general and who had once been a guard at an army unit.

But Colonel Jürgen Reichardt, the Defense Ministry spokesman, insisted Monday that there was no possibility of a case of mistaken identity. He said that four witnesses, who knew General Kiesling, had seen him at homosexual bars in Cologne, although he acknowledged that counterintelligence agents had not observed him there.

General Kiesling declined a Defense Ministry invitation Monday to confront the four witnesses after they insisted on remaining anonymous. His lawyer said that the general intended to file charges "against persons unknown for false accusations and slander," a move that Colonel Reichardt interpreted as an effort to intimidate the four men.

The dismissed general has launched a publicity offensive as well, giving a blitz of interviews to newspapers, magazines and television stations. In an interview with the weekly magazine Der Spiegel, he declared that he was "appalled" that Mr. Wörner had accepted the assertions of homosexuals against his "word of honor."

"I am amazed, and embittered, at the certainty with which the minister declared that the accusations could stand up to any test," General Kiesling said.

"It can only be a falsification," he told the magazine, "and behind a falsification hides an intrigue."

The West German popular press, which a few days ago was reporting rumors of the general's alleged homosexual inclinations, has done an about-face. Under a splashy headline, "Kiesling: Sex With Girls," the mass-circulation Bild Zeitung published interviews Monday with two senior officers, who testified that the unnamed General Kiesling had a number of women friends.

As the case against General Kiesling has weakened, Mr. Wörner has adopted an uncertain tone, saying that if the charges prove false, the general can demand satisfaction. Mr. Wörner is to present the evidence against General Kiesling to a parliamentary committee Wednesday.

Appointed by the Social Democratic government before Mr. Kohl's center-right coalition came to power 15 months ago, General Kiesling is said to have gotten along badly with the U.S. commander of the North Atlantic Treaty Organization, General Bernard Rogers. Hans Apel, the former Social Democratic defense minister, has suggested that General Rogers may have been out to get General Kiesling.

Hans-Jochen Vogel, the Social Democratic parliamentary leader, called upon Mr. Kohl to clarify the Kiesling matter "immediately," saying that if the officer turns out to have been maligned, Mr. Wörner "cannot step out of the affair simply by declaring that the general is an honorable man."



Defense Minister Manfred Wörner, left, and Chancellor Helmut Kohl at a conference held Monday of leaders of West Germany's Christian Democratic parliamentary group.

Moscow Dismisses Reagan Speech, Saying It Offers No New Proposals

MOSCOW — The Soviet news agency Tass dismissed President Ronald Reagan's speech Monday on U.S.-Soviet relations as propaganda and said it offered no new ideas for limiting the nuclear arms race.

In the first direct response from Moscow, the agency said the speech showed that Mr. Reagan was still determined to build up U.S. military power and wanted to conduct negotiations "from a position of strength."

"Judging by its content, the speech was primarily of a propaganda nature," Tass said. It said the speech was aimed mainly at Western Europe and domestic public opinion and was intended to "dispel the growing concern over the military threat posed by the United States."

"Behind the eloquent rhetoric about adherence to limiting the arms race and love of peace was, in effect, the well-known position of the United States administration," the commentary said.

"The speech does not contain any new ideas or constructive proposals that would indicate a readiness on the part of the United States to abandon its course aimed at acquiring dominant positions in the world, above all in the military sphere."

Western diplomats said the commentary amounted to a cool response, echoing recent Soviet statements that Washington should show its good will through deeds, not just words.

Soviet press reports have stressed that the Kremlin wants to see a decisive move, such as a halt to deployment of U.S. nuclear missiles in Europe, before it will agree to return to nuclear arms negotiations in Geneva. Moscow withdrew from those talks late in 1983 after the North Atlantic Treaty Organization began siting Pershing-2 and cruise missiles in Western Europe.

But the diplomats said the absence of any sharp criticism of Mr. Reagan in the Tass commentary also indicated that Moscow welcomed the change in his tone, even if it was thought that he had not gone far enough to improve relations.

Most Western analysts had predicted that the Soviet leadership would dismiss Mr. Reagan's speech unless he made firm proposals for new ways to ease tension and reduce arms levels.

Shortly before the text of the speech was made public, the news agency Novosti issued a commentary saying that an apparent metamorphosis in U.S. foreign policy boiled down to hawks wearing doves' feathers.

"Is there any value at all in the pseudo-peaceable tirades of Reagan and his entourage, their assurances about a desire to reach agreement with the Soviet Union?" said Novosti, which issues commentaries on major foreign policy issues.

Foreign Minister Andrei A. Gromyko, arriving in Stockholm for the Conference on Disarmament in Europe, blamed the United States for the poor state of East-West ties. Tass quoted Mr. Gromyko as saying that it was up to the Western powers to show a "responsible approach" to improve the political climate.

200 Germans Flee From East to West

The Associated Press

FRANKFURT — More than 200 people fled across the border from East Germany to West Germany last week, according to West German Interior Ministry.

Ministry statistics show that about 11,000 East Germans resettled in West Germany last year, compared to the 12,328 who arrived in the West in 1982.

Some of the defectors stayed behind on visits to West Germany, or made their way to West Germany through third countries. But thousands were "bought out," at a cost of \$7,000 to \$21,000 each, by the Bonn government, according to the International Society for Human Rights.

1974 following the decision by the Arab summit conference in Rabat, Morocco, to name the PLO as the "sole legitimate representative" of the Palestinian people.

Because it includes Palestinian representatives from the West Bank, the Parliament has been seen as a potential vehicle to pressure the PLO into agreeing to a joint Jordanian-Palestinian position for peace talks with Israel or risk having Hussein and the Parliament embark on such a course themselves.

However, nothing in Hussein's speech Monday indicated that he is contemplating such a bold and risky move in the near future.

"My government will act," he said, "with all resolve and determination to arrive with the legitimate and free liberation organization at a practical formula for cooperation, with the Arab blessing and

would send to Congress soon a report asserting that the Soviet Union was violating arms control agreements and taking advantage of ambiguities in the accords. He said that was one example of how U.S.-Soviet relations are not what they should be.

He said that the United States "strength and vision of progress" demonstrate both its commitment to security and to solving problems peacefully.

"That is why 1984 is a year of opportunities for peace," the president said.

On Capitol Hill, Representative Melvin Price, an Illinois Democrat who is chairman of the House Armed Services Committee, said he thought the speech was "great" and that it "touched on the major things people are thinking about."

He added, "I don't think you could say there was anything new in it."

Representative Les Aspin, a Democrat from Wisconsin, said the speech stated Mr. Reagan's "willingness to continue the dialogue and to open the dialogue. But he obviously wants to do it on his own terms. He's not backing off of previous positions."

But Mr. Reagan noted that he

backing for the sake of salvaging the land and the people."

The first concrete test of the PLO's response to this call may come later this week when, according to persistent but unconfirmed reports here, Yasser Arafat, the PLO chairman, is expected to arrive in Amman.

It would be the first meeting between Mr. Arafat and King Hussein since last spring, when they tentatively agreed to a joint position regarding President Ronald Reagan's 1982 Middle East peace initiative that calls for negotiations leading to a West Bank entity "in association" with Jordan.

The tentative accord, however, collapsed because of internal PLO opposition. But since then the Palestinian organization has undergone severe upheavals, and officials hope the situation will force Mr. Arafat to become more "realistic" in his demands.

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WORLD BRIEFS

Zhao Seeks Anti-Soviet Effort in Asia

NEW YORK (AP) — Prime Minister Zhao Ziyang of China said Monday that he hoped China and the United States could "cooperate to contain Soviet expansionism" in Asia, and he promised to retain a capitalist economy in Hong Kong if it reverts to Chinese rule upon expiration of Britain's lease in 1997.

Answering questions after a luncheon speech, in his final U.S. appearance, Mr. Zhao said that Washington and Beijing "share the same positions" on the Soviet occupation of Afghanistan and Moscow's backing of Vietnam's role in Cambodia.

But he said he did not believe that Soviet arms buildup in Asia "take China as the target, because China cannot afford to develop so many weapons."

Benn Wins Nomination in Derbyshire

CHESTERFIELD, England (AP) — Tony Benn, a leader of the opposition Labor Party's left wing, has won the nomination for a special parliamentary election in this northern mining town.

"A good result will be studied all over the place, I dare say they'll wake up President Reagan," said Mr. Benn, a former energy minister. He won the party nomination Sunday on the third ballot in this Derbyshire Labor stronghold. The district's seat in the House of Commons becomes vacant this week with the retirement of Eric Varley after 20 years in Parliament.

A by-election is expected to be held March 9 or March 15. His supporters cheered as Mr. Benn, who was defeated in the general election in June in a district in Bristol he had held for 33 years, said, "I'm very proud." Mr. Benn, 58, defeated five other contenders for the Chesterfield nomination by the 127 members of the local party chapter.

South Africa, Mozambique Start Talks

PRETORIA (Reuters) — Representatives of South Africa and Mozambique began a round of security talks on Monday, with each government seeking a promise that the other will not support rebel forces.

After years of mutual hostility, the two governments said earlier this month that they would hold talks on security and economic affairs, including a possible resumption of South African tourism to Mozambique.

Pretoria has accused Mozambique of supporting the African National Congress, which seeks to overthrow white minority rule in South Africa. Maputo accuses South Africa of sponsoring the Mozambique Resistance Movement, which is fighting to topple President Samora Machel.

U.S. Cites Rights Problem in Salvador

WASHINGTON (UPI) — The Reagan administration told Congress on Monday that "abuse of human rights remains a central problem" in El Salvador, but it endorsed sharply increased assistance to the country as part of a Central American aid package.

The State Department reported that measures had been taken to control rightist death squads "and to exert stricter discipline over members of the armed forces." It also noted "steady progress" in land reform and said that, despite opposition from the extreme right and guerrilla attacks from the left, the Salvadoran government had "succeeded in beginning major economic and political reforms."

The State Department report replaces the semi-annual "certification" of human rights progress previously required as a condition of continued aid to El Salvador.

Shamir Attends Funeral for Haddad

MARIJAYOUN, Lebanon (AP) — Prime Minister Yitzhak Shamir of Israel headed a delegation of dignitaries who paid final tribute Monday to Major Saad Haddad, the militia leader in southern Lebanon who was Israel's most trusted ally in the Arab world.

For years, Major Haddad, 48, who died Saturday of cancer, helped protect Israel's northern border from guerrilla attacks. Israeli officials honored him Monday like a head of state. A 21-gun salute was fired from three 155mm artillery pieces as Major Haddad's body was interred in his family's tomb. Israeli officers placed wreaths from their country's top political and military leaders. Members of Major Haddad's 1,000-man militia fired rifle bursts in the air in a salute.

The funeral services were conducted in St. Peter's Greek Catholic Church. Mr. Shamir sat in the front row. Directly behind him were Shimon Peres, head of Israel's opposition Labor Party, and former Defense Minister Ariel Sharon.

Glomp Says He Would Visit Russia

ROME (Reuters) — Cardinal Jozef Glomp, Poland's Roman Catholic primate, said Monday that he would accept an invitation to visit the Soviet Union if a formal offer were made. He was commenting on reports that Patriarch Pimen of the Russian Orthodox Church planned to invite him later this year.

The cardinal said that talks between the Polish government and the Polish church to establish full diplomatic ties between Poland and the Vatican were going well. A Polish source in the Vatican said before Cardinal Glomp arrived Monday to confer with Pope John Paul II that the Polish church and the Vatican expected to establish relations by the end of the year.

Poland would be the first Warsaw Pact country to have full relations with the Vatican. Yugoslavia is the only East European country with an ambassador to the Holy See.

Talks on Nonnuclear Balkans Put Off

ATHENS (AP) — Nuclear policy experts from four Balkan countries yielded Monday to pressure from Turkey and postponed discussion of Prime Minister Andreas Papandreu's plan to ban nuclear weapons from the Balkans.

The decision was made at the opening session of a Balkan conference organized by Mr. Papandreu of Greece and attended by delegates from Yugoslavia, Romania and Bulgaria. Albania already had rejected the proposal as impractical.

Turkey, a partner of Greece in the NATO alliance, attended only as an observer because it objected to the prominence given to the nuclear-free proposal. Turkey maintains that banning nuclear weaponry from the Balkans should be part of a wider agreement on reducing arms. A Greek government spokesman said the conference "will consider general principles of cooperation... and the priorities of issues to be discussed in a later conference, to be held next month." He said the meeting probably would end Wednesday, two days earlier than scheduled.

For the Record

More than 200,000 Indian workers in jute mills started an indefinite strike Monday for higher wages, union officials in Calcutta said. (Reuters)

The Paris public prosecutor's office said Monday that it was opening an inquiry into possible fraud in the so-called "sniffing aircraft" affair, in which the state-owned oil company Elf-Aquitaine lost 500 million francs (about \$60 million at current rates). (Reuters)

About 4,000 Israeli workers demonstrated Monday in front of Prime Minister Yitzhak Shamir's office in Jerusalem, demanding compensation for wage erosion. (Reuters)

Fahd Opens Fourth Islamic Summit

CASABLANCA, Morocco — King Fahd of Saudi Arabia opened the Islamic Conference Organization's fourth summit Monday, with delegations from 40 countries, including about 25 heads of state, in attendance.

But the heads of some states, including Libya, were not present. Despite the pressing invitation of King Hassan II, Colonel Moamer Qadhafi of Libya did not come. He sent his deputy, Abdel Salam Jaloud.

Syria, Iraq, South Yemen and Algeria were also represented at lower than head-of-state level, while King Hussein of Jordan also declined to attend, citing health reasons. He was under treatment last week for a bleeding ulcer. Iran, at war with Iraq, boycotted the conference.

Fahd, a leading backer of the Islamic Conference Organization, presided Monday because the last summit was held in 1981 in Saudi Arabia. He said on arrival in Casablanca that the summit was taking place at a critical time, and he called for concrete results.

The mere fact of convening the summit emphasizes that a spirit of collective action is a prerequisite for success in the Muslim nation," the monarch said.

The issue of Egypt's readmission to the organization will not be raised at the meeting, conference sources said.

A number of Asian states were ready to introduce a resolution proposing Egypt's re-entry into the organization, from which it was suspended in 1979 for signing a peace treaty with Israel. But no leading Arab state would co-sponsor the move, and Asian leaders decided to drop the matter, the sources said.

Moderate Arab states — including Saudi Arabia, Sudan and Jordan — agreed that the readmission of Egypt should be decided on first by the Arab League, from which Egypt was also suspended in 1979, the sources said.

The issue of Egypt's return to the Islamic and Arab political ranks became prominent when the Palestinian leader, Yasser Arafat, met President Hosni Mubarak in Cairo last month after his forced evacuation from Tripoli, Lebanon.

The Palestine Liberation Organization chairman arrived in Casablanca on Sunday from Tunis, and there was speculation that the summit might be the setting for a reconciliation between Mr. Arafat and Colonel Qadhafi.

But Arab diplomatic sources said that an Arafat-Qadhafi meeting elsewhere was in the offing, and might take place in a "neutral" Arab capital such as Tunis fairly soon.

Conference sources said that Mr. Arafat conferred soon after his arrival with the Saudi and Moroccan monarchs and Crown Prince Hassan of Jordan, who is standing in for Hussein.

The PLO leader is widely expected to go to Jordan after the summit to discuss a possible joint approach on Middle East peace with Hussein.

The agenda of the meeting, scheduled to last three days, includes such issues as the Middle East crisis, the split within the PLO, Soviet intervention in Afghanistan and the Iran-Iraq war.

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By Stephen Kanzer
New York Times Service

TEGUIGALPA, Honduras — Leaders of guerrillas fighting the Nicaraguan government say that the Sandinista government has not yet won the war.

Adolfo Calero, Portocarrero, leader of the Nicaraguan Democratic Force, the largest of the rebel groups, also praised the report of President Ronald Reagan's National Republican Commission on Central America. The panel, headed by a former Secretary of State, says the Sandinistas are not in control of all of Nicaragua.

"I agree with Mr. Kissinger," said Mr. Calero, whose Honduras-based rebel group receives U.S. aid. "We need the Sandinistas to negotiate. We need to keep military pressure on them."

He and other insurgent leaders said they did not think military means were the only way to defeat the Sandinistas.

"For the Sandinistas to say that we defeat them militarily is the way they are behaving. They are creating a large group of people inside Nicaragua who want to get rid of them."

The principal military strategist of the Nicaraguan Democratic Force, Enrique Bermudez, said he could not predict how much longer the group would have to fight, "because we are not in control of all the factors." But he said that "with sufficient support, we can resolve the situation."

UN Leader Meets Iraqi
At Islamic Conference

CASABLANCA, Morocco — The UN secretary-general, Javier Perez de Cuellar, met informally with Iraqi officials in search of a solution to the war between Iraq and Iran, sources at the Islamic Conference said Monday.

The opening of the meeting, in Casablanca, was attended by UN Secretary-General Javier Perez de Cuellar and Foreign Minister Tariq Aziz of Iraq. Later, other Gulf leaders, including Kuwait's Emir Jaber al-Sabah, met with the secretary-general.

Mr. Perez de Cuellar, attending the opening of the meeting, said he was not in control of all the factors. But he said that "with sufficient support, we can resolve the situation."

He and other insurgent leaders said they did not think military means were the only way to defeat the Sandinistas.

"For the Sandinistas to say that we defeat them militarily is the way they are behaving. They are creating a large group of people inside Nicaragua who want to get rid of them."

From Social Grace to Disgrace: Smokers in U.S. Are Quitting to Avoid Being Tarred

By Joan Sweeney
Los Angeles Times Service

LOS ANGELES — "It used to be you were on the outside looking in if you weren't a smoker," reflected Milt Vester, 43, an electronics test technician who has joined 34 million other Americans, according to government estimates, in becoming a former smoker.

But today, it is the smokers who sometimes find themselves on the outside looking in — banished to porches and patios by anti-smoking hosts.

"More and more people coming to for treatment talk about being social pariahs," observed a psychologist, Bruce Hansen of Dependency Interventions in Berkeley, California, which offers a stop-smoking program. "This is becoming a very powerful kind of force, much more powerful than health warnings at this point."

As the number of former smokers increases, so does the realization that smoking has come to be regarded by many as a public nuisance, not a private pleasure. A recent survey by the Gallup Organization found that 92 percent of those interviewed agreed that smoking was harmful to health. And 64 percent of the smokers as well as 84 percent of the nonsmokers believed it was also hazardous to the health of nonsmokers.

No-smoking signs, some more politely

phrased than others, have sprouted on the U.S. landscape like dandelions in a summer lawn. Occasionally the challenge is met with bluntness. One gentleman of distinguished demeanor, years and accomplishments, confronted with a "No smoking" sign in a Beverly Hills home where he was a dinner guest, reclined gracefully upon a rug with cigarette in hand and head in the fireplace and blew the offending smoke up the chimney.

Lawrence Wallack, an assistant professor in the School of Public Health at the University of California, Berkeley, sees this changing scene as the cumulative effect of a number of factors, none decisive in itself, that began with the first health warnings three decades ago.

Back then, few nonsmokers in a public place had the audacity to complain about a stranger's cigarette. Now it is the smokers who often hesitate to light up without asking if those around them mind — and the answer is often "yes."

Although warnings about the health hazards of smoking were first sounded publicly back in the 1950s, the collective consciousness raising began in earnest after the first U.S. surgeon general's report, with its imprimatur of the U.S. government, was issued in 1964. A year later came the law requiring a health warning on cigarette packages.

In 1967, the fairness doctrine was applied to cigarette advertising, requiring television and radio stations to provide air time for anti-smoking commercials. In 1971, smoking commercials were dropped from broadcasts altogether.

In the late 1960s, the nonsmokers' rights movement was born with John F. Banzhaf 3d, who sought application of the fairness doctrine to cigarette commercials and no-smoking sections on airplanes.

Then came more evidence that nonsmokers in smoke-filled areas, especially those with heart trouble or respiratory difficulties, might be paying a higher price than eye or sinus irritation. Not only were carbon monoxide levels raised, but "smoke given off by a cigarette into the air contains known cancer-causing substances, some of them in higher concentrations than in the smoke inhaled directly by the smoker," concluded the surgeon general.

In 1973, Arizona passed the first law restricting smoking. Two years later, Minnesota passed the strongest — banning smoking unless otherwise posted except in private homes and offices, bars and tobacco shops. Anti-smokers grew more militant after two later studies suggested that nonsmoking wives of smokers might have a higher risk of lung cancer.

Other reasons for quitting surfaced, too. Some parents were motivated by concern over

its effect on their children's health or by the example they were setting for them.

"It not only yellowed my walls, dirtied my draperies and burned holes in my shirts, but it really irritated my child's sinuses and nostrils," said Sandy Caruso of Manhattan Beach, California, who quit almost a year ago after smoking for more than 20 years.

One of the bluntest assessments of smokers came to a research report done for a tobacco company's advertising agency. It was quoted as follows in a confidential section of a 1981 Federal Trade Commission report: "Smokers have to face the fact that they are illogical, irrational and stupid. People find it hard to go through life with such negative presentation and evaluation of self."

Social revolution rarely comes without verbal warfare, however, between the more militant of the combatants. Angry smokers call anti-smokers sanctimonious, fanatical, preachy and obnoxious. Angry anti-smokers call smokers rude, selfish, thoughtless and obnoxious.

U.S. per capita consumption of cigarettes peaked at 4,336 a year in 1963, declined to 3,746 by last year and is projected to drop to 3,593 this year, according to government figures.

But a Gallup Poll in April showed an increase in smokers to 38 percent, up from 35 percent in a 1981 poll. This puzzled some government officials in light of a continuing decline in per

capita consumption and total cigarette sales — the latter down from 637 billion in 1981 to a projected 617 billion this year.

However, the Tobacco Institute blames the decline in sales in the past two years on the recession and recent sharp increases in taxes, including the doubling of the federal excise tax.

Smoking rates are highest among blue-collar men and lowest among white-collar, according to government reports. Upwardly mobile men are less likely to smoke, while downwardly mobile men are more likely to be heavy smokers. This is not true of women, however.

Among adolescents, college-bound students have lower smoking rates than those who do not go to college.

"There is a socioeconomic gradient," said Ellen Griz, director of a cancer prevention program at the University of California, Los Angeles. "I think one of the problems may be that we have not developed the right intervention approaches for different cultures in our society."

But the tobacco industry has not been sitting idly by while its foes try to extinguish it. It spends more than \$1 billion a year on advertising, and it emphatically disputes the adverse health evidence.

The surgeon general's report released last month concluded: "Cigarette smoking is a major cause of chronic obstructive lung disease and

a variety of cancers as well as cardiovascular disease, and it remains the largest avoidable cause of death and disability in the United States."

That conclusion, in the opinion of the Tobacco Institute, is an opinion.

"It's our view that there is certainly a controversy in the area of smoking and health," said William Toohy, a Tobacco Institute spokesman. "Questions have been raised about it and research has been done and is continuing to be done to the area. Hopefully that will resolve it. It is our view and that of a fair number of scientists in the field that question is an open one."

In a confidential footnote, a 1981 Federal Trade Commission study said, "The tobacco industry not only does not accept the conclusions mandated by the weight of scientific evidence, it has actively attempted to discredit that evidence."

The FTC report said that documents obtained from one cigarette company "establish that, as early as 1969, it had a plan to sow doubt and confusion in the public's mind about the validity of the evidence linking smoking to disease and death. . . . By emphasizing and playing up areas where there is a genuine scientific controversy about the particular effects of smoking, [it] proposed to cast doubt on the validity of the much larger body of uncontested medical evidence."

China Says Hong Kong Might Elect Its Officials

By Dinah Lee
Washington Post Service

HONG KONG — A leading Communist Chinese politician in charge of Hong Kong affairs stated officially Monday that if China regains sovereignty over the colony when Britain's lease runs out in 1997, Hong Kong may be able to elect its own officials.

In an article in the Beijing weekly Observation Post, Ji Fenglei, director of Hong Kong and Macao affairs, said local Hong Kong officials would be selected by "consultative or elected process." It was the first time such a statement had been made officially. In several such instances in recent weeks, Beijing has shifted rumors and unofficial reports to the status of official statements.

Over the weekend, the director of the Xinhua news agency's Hong Kong branch, Xu Jiatun, told a Hong Kong group that democracy in the colony was an "inevitable development."

"Socialism practices democracy, which to us carries the widest sense of its meaning," said Mr. Xu.

In private conversations and through leaks to the left press, such viewpoints from Beijing have been filtering down to the Hong Kong community. On Jan. 6, for example, Mr. Xu privately told a visiting Hong Kong academic that most ethnic Chinese living in Hong Kong would agree the right to elect officials and to run for office in the territory and on the mainland after 1997.

The idea of elections had come up in private comments by Mr. Ji to visitors as early as last autumn. Nowhere in his earlier comments, nor in his article in Observation Post, did Mr. Ji address the question of how many parties would be

allowed to take part in Hong Kong elections.

Western diplomats who scan Chinese statements for indications about the progress of the Chinese-British negotiations on the status of the crown colony say they believe that, though the talks are supposed to be kept confidential, Beijing is willing to breach this agreement with the British so as to test the acceptability of certain policies in Hong Kong.

Since the first of the year, several offers from Beijing — that Hong Kong would be promised a "high degree of autonomy" as a self-governing part of China, would have its own travel documents and convertible currency and would retain its legal system — have been made officially known as China has judged these ideas have a chance of a good reception in Hong Kong.

Late last year China announced that if it and Britain did not reach agreement on the future of Hong Kong by September, China would make "unilateral" decisions. China has also announced that it is drafting a "mini-constitution" for Hong Kong, and many believe a September announcement would comprise details of this document.

The conciliatory tone from Beijing included a pledge by Xinhua's Mr. Xu, to a speech to Hong Kong University, that after 1997 the role of intellectuals in Hong Kong society would be protected and that freedom of speech, assembly, association, communication and movement would be preserved for 50 years.

Reaction to this statement was mixed, because it implied an end to these freedoms after 50 years, and because of China's inconsistent record on civil rights and the treatment of intellectuals.



Eight Democratic presidential rivals line up on the stage before a nationally televised debate in Hanover, New Hampshire. From left: Senator John Glenn of Ohio; Senator Alan Cranston of California; Senator Ernest F. Hollings of South Carolina; former Senator George McGovern of South Dakota; Senator Gary Hart of Colorado; former Vice President Walter F. Mondale; the Rev. Jesse L. Jackson; former Governor Reubin Askew of Florida.

After Debate, Glenn Defends Attacks on Mondale

The Associated Press

HANOVER, New Hampshire — Senator John Glenn of Ohio asserted again Monday that Walter F. Mondale, his rival for the Democratic presidential nomination, is waging a campaign of "vague promises."

Mr. Glenn and other candidates had made similar charges in a debate here Sunday.

Mr. Mondale's challengers seemed uncertain just how much their jibes in the debate might have slowed his drive for the nomination. Mr. Glenn said he was concerned that the debate did not come across as "presidential" enough.

Mr. Glenn explained his criticism of Mr. Mondale to a campaign stop Monday in Claremont, New Hampshire. "I just got tired of the vagueness," he said. "I felt Mondale was being very nonspecific, and I still think so today."

Mr. Mondale sharply disputed the charge during the debate, and an aide said Monday that the former vice president would not reply further until his next campaign trip, scheduled for Tuesday.

Verbal Brawl Develops

Earlier, David S. Broder of The Washington Post reported from Hanover:

The second half of the debate among the Democratic presidential rivals Sunday turned into a verbal brawl as Mr. Mondale and Mr. Glenn accused each other of talking "glibly" and "baloney."

Senator Gary Hart of Colorado, making his strongest pitch of the campaign for a complete turnover of party leadership, warned the two presumed front-runners that "quarrels between you two are not going to enable this party to lead and govern again."

The outburst was a face-to-face version of charges by Mr. Glenn that Mr. Mondale is offering "secret plans" to halve the budget deficit and cut military spending.

Sensors Alan Cranston of California and Ernest F. Hollings of South Carolina and former Governor Reubin Askew of Florida joined in the combat, sometimes

turning from the main targets to attack each other.

Mr. Mondale, leading in all the early polls, received so much abuse that toward the end of the three-hour forum, carried nationally on public television, the 1972 Democratic nominee, George McGovern, felt called upon to come to his rescue. Mr. McGovern asked his colleagues to resist "the tendency to clobber the front-runner," adding, "Sometimes front-runners get nominated."

The Rev. Jesse L. Jackson, making his debut in national presidential politics, differed with the others on some issues — notably Middle East policy — but played the role of party unifier. At the height of the Mondale-Glenn battle, he cautioned, "We Democrats have to conduct our affairs in a serious vein."

The cross fire among the Democrats was so sharp and sustained that, for long stretches, it was as if they had forgotten President Ronald Reagan and his policies.

The eight candidates met on the stage of the Nelson A. Rockefeller Center in a forum co-sponsored by Dartmouth College and the House Democratic Caucus.

Ted Koppel, a television news broadcaster, moderated the first 90 minutes, and Phil Donahue, a television talk show host, alternated his own questions with those from the audience in the second half.

The session began on a note of unity and good humor, which did not last long.

All the candidates promised to consider women as running mates, and Mr. McGovern, who had to abandon his first choice in 1972 when Senator Thomas F. Eagleton of Missouri revealed past treatment for severe depression, got a big laugh by saying: "I just want to make one pledge. This time I'm going to be careful."

There was nothing good-humored about the exchange between Mr. Mondale and Mr. Glenn in the final hour, however.

The former vice president said he would cut the current federal budget deficit in half by scaling back Mr. Reagan's military buildup, controlling health-care costs, trimming farm subsidies and seeking some "progressive" tax increases.

The Ohio senator pounced.

"That is the same vague glibby-glib we've been hearing," he said. "I'm disgusted and tired of all the vague promises . . . with no figures attached." Mr. Glenn said Mr. Mondale had made promises during the campaign that if put into effect would add \$170 billion to the deficit and, by raising interest rates, "would put more people out of jobs."

Mr. Mondale shot back. "The reason we have \$200-billion deficits is that you and some others voted for Reaganomics," a reference to Mr. Glenn's support for the 1981 Reagan tax bill.

Mr. Glenn referred to "the 21-percent interest rates" at the end of the Carter-Mondale administration, and Mr. Mondale jumped to his feet, shouting, "Point of personal privilege!" — a senator's demand for time to answer a personal attack.

"Who has the floor here?" he said. "We've just heard a six-minute speech, all of it baloney. Mr. Glenn voted to create the \$200-billion deficits. He wants to add to them by building the B-1 bomber and new poison nerve gas weapons. He attacks my specific proposals with voodoo numbers." Mr. Mondale added, "Those are baloney figures of his, and my position is responsible."

Mr. Askew, who had taken his own pokes at Mr. Mondale on trade policy, said, "You're both

right to what you say about each other."

But Mr. Hart took the harder line, saying, "This party will not gain responsibility as long as leaders of the past debate whose policies of the past are worst."

Mr. Mondale challenged Mr. Hart's assertion that he offered no new ideas, saying he promised "leadership for the future, backed up by the experience to get the job done." But Mr. Hart, who was much more aggressive Sunday than in any of the 1983 candidate forums, said, "Fritz, you cannot lead this country if you have promised everyone everything."

Mr. Mondale ended the volley by saying he had promised to "get people back to work" to "educate our children," to ratify the Equal Rights Amendment, to "stand up for the old folks on Social Security" and to "work for a safer world." He said he would not go back on any of those pledges.

"America," he said, "is not anything if it is not promises."

U.S. Personnel Are Said To Visit Honduras Site

By Robert J. McCartney
Washington Post Service

LAS TROJES, Honduras — U.S. soldiers and civilians traveling in helicopters have been visiting a Nicaraguan guerrilla supply center here, three miles from the Honduras-Nicaragua border, at least since last month, according to local residents.

The rebel Nicaraguan Democratic Force, financed by the U.S. Central Intelligence Agency, operates the center at a tobacco farm eight miles (13 kilometers) from the spot where a U.S. helicopter pilot was killed Wednesday by Nicaraguan troops after flying over Nicaragua and landing just inside Honduras. The aircraft did not stop at the supply center that day, according to residents and the farm's caretaker, but other U.S. personnel apparently are running the risk of being caught to similar incidents.

The U.S. government has said that U.S. military forces on maneuvers to Honduras are not involved in supporting the Nicaraguan rebels and that U.S. soldiers are under orders to stay at least five miles from the border to avoid incidents.

But residents of Las Trojes, including the caretaker, said they had seen "gringos" in uniform visiting the center with Honduran soldiers and members of the guerrilla force at least since December.

"Sometimes they come in civilian clothes and sometimes in uniform," said the caretaker, Faustino Calix, 70.

Honduran Army trucks arrive at the farm carrying food, ammunition and other supplies, according to residents and a rebel commander who was guarding provisions to a

tobacco shed. Small trucks or helicopters then ferry the supplies to guerrilla base camps to the east, the sources said.

The U.S. civilians presumably are CIA agents who are helping to oversee the operation. Washington has authorized the agency to funnel \$24 million of covert aid for the current year to the guerrillas battling the Nicaraguan government.

Two residents of Las Trojes said that they saw a helicopter similar to that piloted by the slain pilot, Chief Warrant Officer Jeffrey C. Schwab, south of the town Wednesday morning before he was killed. The aircraft thus could have been nearly 40 miles off the course described by the U.S. Embassy.

Honduran soldiers who saw the helicopter cross back into Honduras said that it was more than a mile inside Nicaragua and coming straight toward the border when they first spotted it.

In any case, the helicopter landed to the most dangerous zone in Honduras, an area where Nicaraguan forces regularly fire across the border and the Hondurans regularly shoot back, according to Honduran soldiers and residents.

"We can't keep track of the dead," said a storekeeper, Juana Colindres. She said that a young Honduran civilian had been killed by Nicaraguan mortar fire near the border Wednesday.

Spokesmen for the Honduran government and Nicaraguan Democratic Force have said that all rebel base camps are located inside Nicaragua, but local residents including Mr. Tinoco, the rebel guard, acknowledged that there are camps inside Honduras.

Soviet Effort in Asia

Minister Zhao Ziyang of China said the United States could "cooperate" with it if it reverts to Chinese rule over

ambition in Derbyshire

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Nicaraguan Guerrillas Predict Victory in 1984

By Stephen Kinzer
New York Times Service

TEGUICIGALPA, Honduras — Leaders of guerrillas fighting the Nicaraguan government say that with continued aid from the United States, they can bring down the Sandinist government in 1984.

Adolfo Calero Portocarrero, leader of the Nicaraguan Democratic Force, the largest of the rebel groups also praised the report of President Ronald Reagan's National Bipartisan Commission on Central America. The panel, headed by former Secretary of State Henry A. Kissinger, indirectly ordered U.S. aid to Nicaraguan rebels.

"I agree with Mr. Kissinger," said Mr. Calero, whose Honduras-based rebel group receives U.S. aid. "To make the Sandinists negotiate, you need to keep military pressure on them."

But he and other insurgent leaders said they did not think military means were the only way to defeat the Sandinists. "For the Sandinists to collapse," he said, "it is not necessary that we defeat them militarily. With the way they are behaving, they are creating a large group of people inside Nicaragua who want to get rid of them."

The principal military strategist of the Nicaraguan Democratic Force, Enrique Bermudez, said he does not predict how much longer the group would have to fight, "because we are not in control of all the factors." But he said that "with sufficient support, we can resolve

the problem of Nicaragua within a few months."

Another leader of the Nicaraguan Democratic Force, Edgar Chamorro, said: "If we receive the continued support recommended by the Kissinger commission, and if the United States also provides economic aid to win the friendship of Central American people, then we can achieve our goal this year."

'Other Theories' On Aquino Death Not Investigated

Reuters

MANILA — A Philippine military officer said Monday that a prominent opposition leader was linked to the killing of former Senator Benigno S. Aquino Jr. at Manila International Airport were not pursued by military investigators because "higher-ups" did not order it.

Colonel Hermogenes Peralta, head of the constabulary investigation service, said that the investigators also ignored statements by Imelda Marcos, wife of President Ferdinand E. Marcos, and by Prime Minister Cesar Virata that the government might be involved in the killing of the former opposition leader.

Colonel Peralta told a commission on the killing that a businessman, Eusebio Darangan, had asserted that former Senator Salvador Laurel, head of the main opposition party, ordered the Aug. 21 shooting of Mr. Aquino. The commission said it would question Mr. Darangan about his allegation.

The government has said the outlawed Communist Party ordered the killing and identified the assassin as a guerrilla leader, Rolando Galman. Colonel Peralta told the commission that "there was no directive for us to pursue other theories."

Mrs. Marcos said before Mr. Aquino returned from self-exile in the United States that a group close to the presidential palace that "could not be controlled" might try to kill him. Mr. Virata said in August that "government elements" might have been involved in the killing.

UN Leader Meets Iraqi At Islamic Conference

United Press International

CASABLANCA, Morocco — The UN secretary-general, Javier Perez de Cuellar, met informally with Iraqi officials in search of a solution to the war between Iran and Iraq, sources at the Islamic summit conference said Monday.

Mr. Perez de Cuellar, attending the opening of the meeting, met Sunday night with Vice President Izzat Ibrahim and Foreign Minister Tariq Aziz of Iraq. Later he contacted other Gulf leaders for informal conversations, the sources said. Iran is boycotting the three-day summit.

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Uruguayan Elections Could Be Delayed by New Junta Crackdown

By Edward Schumacher
New York Times Service

MONTEVIDEO, Uruguay — The government of General Gregorio Alvarez, faced with growing public discontent after more than 10 years of military rule, has reimposed a crackdown on political dissent.

The crackdown and other developments could cause a postponement of elections scheduled later this year, according to disenchanted government officials, opposition leaders and Western diplomats.

The unrest comes as Argentina, Uruguay's neighbor, which has had much influence in this country, ends nearly eight years of military rule to return to democracy under President Raul Alfonsin. The Argentine example has been stimulating the demands by Uruguayans for democracy here, too.

In addition to the crackdown, General Alvarez, a 58-year-old retired general who was elected in 1981 by the ruling junta, is maneuvering to stay in power, the senior government officials and Western diplomats say. He had apparently been losing the support of the junta members, they said, but he has been gaining among them since the new Argentine government has begun prosecuting former military leaders for abuses of power.

Uruguay's military government, which had been loosening its rule, has promised it will hold elections in November and step down in March 1985. The government officially affirms that the election will be held as scheduled, but last week a senior official cast doubt on that promise for the first time in public.

The official, Interior Minister Hugo Linares Brun, a retired general, warned in a meeting with reporters that the recent unrest, if it continued, would make the election timetable "unpredictable." In recent months the government has banned much political activity, harshly censored the press and arrested hundreds of anti-government protesters.

Other practices that had made Uruguay one of the strictest police states in Latin America continue. Among these are a ban on nearly 8,000 suspected leftists from participation in politics, the imprisonment of hundreds of people for political reasons and a computerized ranking of every Uruguayan's ideological loyalty.

"The government is trying to go backwards," Julia Sanguinetti, president of the Colorado Party, one of the country's two main parties, said in an interview. The military took power in 1973 after defeating leftist Tupamaro guerrillas.

By conservative estimates, more than 200,000 people attended a protest rally in November that was sanctioned by the government, which has banned all other rallies. The demonstrators chanted, "The military dictatorship is going to fall." About 350 people have reportedly been arrested in many unsanctioned protests in the past six months, though most were said to have been released by the next day.

On the two occasions that the military has submitted to measurable popular judgment, in a constitutional plebiscite in 1980 and internal party elections last year, it lost by landslides. Opposition candidates won by more than 80 percent in the party elections.

A year after the 1980 plebiscite, the government gave a timetable for a return to democracy, including a proposal for formal discussions between the government and opposition leaders. But the talks lasted only two months, breaking off last July.

In a secret meeting in October, General Alvarez asked the junta to postpone the elections and to extend his presidency by one to two years, the officials and Western diplomats said. The junta refused, they said. But the prominence of some leftists at the November rally and Argentina's prosecution of military leaders have since shaken the junta, they said.

General Alvarez has put into force a ban, which was imposed in August but was largely unobserved, on all politics except internal party organizing. A member of the Colorado executive committee was jailed for two weeks for referring to the military as "scoundrels."

An opposition radio station has been shut for a month, and for the first time, the government has imposed prior censorship. The country's 14 political weeklies must be cleared by the military before they can be sold. A number of issues have been rejected.

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A rancher's fence prevents more than 1,500 antelope from reaching their winter range in southern Wyoming. Heavy snows kept the animals from foraging on the plains and state wildlife officials said that they were beginning to die.

Heavy Snow in U.S. Is Threatening Deer Herds

By Bill Curry
Los Angeles Times Service

ECHO, Utah — A herd of deer grazed on the shrubs in the window box at the Kory Cafe, only a pane of glass separating them from the humans dining inside. A buck scattered the contents of a garbage bin, and the deer foraged among the waste as it fell to the ground.

Down the road, more deer, driven from the foothills of the Rocky Mountains by extraordinary snow, rooted through discarded Christmas trees, feed pellets and other food left for them. One approached a visitor and began chewing on the sleeve of his coat.

Driven by hunger, lean and desperate, tens of thousands of deer and elk across the West have been forced out of their usual winter grounds in a search for food that many of them will not survive.

In Colorado, wildlife officials are spreading 50 tons of feed pellets a week for deer and 200 tons of hay for elk. In Jackson, Wyoming, vol-

unteers have begun feeding deer herds that have descended onto roads and ranches.

In Utah, where the effects of more than a month of daily snows, lingering cloud cover and low temperatures threaten as many as 125,000 deer, more than a third of the state's deer population.

"It's a critical situation," said Doug Day, director of Utah's Wildlife Resources Division. "Substantial losses are already inevitable."

"The idea now," the division's deputy director, Homer Stapley, added, "is to save the herd. Period."

Thousands of people nationwide are sending contributions to help Utah buy feed for the starving animals. A woman from Oregon sent \$19.54, saying that was all she had in her checking account.

Farmers from Georgia are sending three boxes of hay; the Ralston Purina Co. gave 20 tons of feed pellets, and a boy from St. Joseph, Louisiana, sent his \$2 al-

lowance. Brooke Shields, the actress and model, sent \$5,000.

It is here in northern Utah that the winter's severe weather has exacted its cruellest toll. The deer have stripped ornamental bushes and fruit trees; they feed among sheep and horses, and their carcasses litter the road.

"Winter range is gone," Mr. Stapley said, "to highways, homes, summer homes, reservoirs, energy development."

It is thus a man-made as well as a natural disaster. But, overwhelmingly, it is the current weather that will cause wildlife losses far greater than normal seasonal deaths.

"In December," Mr. Stapley said, "we broke every kind of record you could think of: Snow depths were the greatest. Number of days in a row with snow. We had the least amount of sunshine, one day of sunshine in 65 days. I've never seen anything like this. It's the worst."

So, Utah wildlife officials re-

luctantly decided to start emergency feeding at dozens of sites.

"You have to inject an artificial situation," Mr. Stapley said. "It's not a good practice, but it became obvious the situation was unique. And the losses would have been massive if we hadn't done this. The forage is there. They just can't get to it under the crust of snow. Once we made the decision, we haven't regretted it."

But the Utah Farm Bureau, asserting that the state has allowed herds to grow too large, urged that a hunt be organized to reduce them. Mr. Stapley replied: "It would be like clay pigeons. Easier than that. You could take a deer home alive."

At the Kory Cafe, a white container marked "Donations to Help Feed the Deer" collects \$10 a day, primarily from truckers. The state legislature, facing a potential record tax increase, is nonetheless considering a \$327,000 appropriation for feed and reimbursement of farmers for damages caused by foraging wildlife.

Malaysia's 'Battle Royal' Ends in a Compromise

Sultans Retain Their Role After 5-Month Struggle With Prime Minister

By Robert Trumbull
New York Times Service

KUALA LUMPUR, Malaysia — Malaysians relish telling foreign visitors that their country, although a relatively small power with 14 million people, has nine hereditary sultans who constitute nearly one-third of the world total of reigning royalty.

For more than five months, the sultans, among them Malaysia's King Ahmad Shah, have been at the center of a bruising constitutional struggle over their powers. The struggle ended last week in a compromise that left both sides claiming victory.

Under an amendment to the charter approved Jan. 9 by the lower house of Parliament and by the upper house the next day, the king loses the right to veto new laws by withholding his assent, which had been routinely given until the constitutional dispute arose in August. But he gains new power to delay and, apparently in some circumstances, to kill future legislation.

Meanwhile, the government of Prime Minister Mahathir bin Mohamad backed away from proposed constitutional changes that would have curtailed the authority of the sultans, who rule nine of the country's 13 states and elect one of their number every five years to be king of all Malaysia for the next five years.

The government also abandoned a proposed amendment that would have taken away the king's power

to declare a national emergency and given it instead to the prime minister, a change that critics said could tempt some political leader to become a dictator.

These governmental actions were forced by the sultans, who invoked a constitutional provision that their status and privileges cannot be changed without their consent. Legal experts say there is no way for the government to trim the sultans' powers unless they agree.

Political sources, including some in the prime minister's party, the United Malay National Organization, said that they thought the move against the hereditary rulers had been a mistake and that it might have clouded Mr. Mahathir's political future, at least temporarily.

They said the move appeared to have been a violation of such national sensitivities as the widespread reverence for the historical role of the sultans as the living symbols of Malay identity, as spiritual leaders of Islam, the religion of the Malay majority, and as the protectors of the Chinese and Indian minorities in their states.

The sultans are a highly visible group who appear at state ceremonies in resplendent regalia, mixing Malay and European dress, decked with medals and decorations.

Historians say the sovereignty of the sultanates was legally affirmed during British colonial rule about a century ago, when the House of Lords, functioning as the highest court of the realm, dismissed a Brit-

ish woman's breach of promise action against a visiting Sultan of Johore to the ground that, as a sovereign ruler, he could not be sued.

Sultans today, under the constitution of an independent Malaysia, are also immune from prosecution. The present sultan of Johore, when only a prince, was convicted of culpable homicide for shooting a policeman but was pardoned by his father.

Mr. Mahathir, the first of Malaysia's four prime ministers to have been born without a title, challenged the royal prerogatives Aug. 1 by introducing the amendments in Parliament. The prime minister was believed to have acted because of the prospect that either the sultan of Johore or the sultan of Perak, both known to be strong-willed men and sticklers for royal prerogatives, would be elected as the next king in April.

The compromise that resulted from the constitutional struggle was an agreement to give royal assent to the new amendment, which allows the king to delay legislation for 60 days but which provides that bills can become law without the king's signature after six months if they are approved by a two-thirds majority. Such a majority is assured under the present one-party control of Parliament.

Lim Kit Siang, the leader of the opposition, said the new arrangement was "a backward step, giving the king a responsibility in the legislative process that he never had before."

One of the proposed amendments that was blocked would presumably have ended such royal powers as the one once exercised by the sultan of Perak when he vowed not to shave a newly grown beard until the chief minister of his state resigned. This the official eventually did.

Stymied by the resistance of the sultans in what is known as the "battle royal," Mr. Mahathir undertook to rally public support for constitutional change through a series of mass meetings around the country. The crowds were often large, but the response was reportedly mixed.

Malaysia's first prime minister, Abdul Rahman, who is a brother of the sultan of Kedah and a revered elder statesman, said in his weekly column in The Star, a Kuala Lumpur newspaper, that one of the constitutional struggles had "caused a shock throughout the nation."

"The government made the mistake of taking the rules for granted," Tan Cher Khoo, a political expert said in a newspaper article that expressed approval of the prime minister's intention to curb royal powers but deplored his approach as confrontational.

A similar view was voiced by Dato Senu, a former secretary-general of the prime minister's party. "The sultans have a vested interest in stability and peace," said Mr. Senu, a former ambassador to Indonesia and now a businessman. "If the rules are not because of them but because without them the country could go to pieces."

Finnish Leader Extends Press Curbs to Envoys

By Werner Wiskari
New York Times Service

NEW YORK — President Mauno Koivisto of Finland, who recently vowed that the Finnish press would never again get any official explanation of his "way of thinking," has extended this restriction to reporters around the world.

He has directed Finnish diplomats to refrain from giving journalists interpretations of his remarks. "The statements of the president of the republic are to be read just as they are," according to a Foreign Ministry directive. "Explaining would be an indication that the original text was unclear or misleading."

However, the directive said diplomats could discuss the general subjects of the president's remarks or the principles of Finland's foreign policy.

The directive was disclosed Friday by the Finnish newspaper Uusi Suomi and confirmed by Finnish officials in Washington and New York.

It was another step by President Koivisto toward trying to limit the trend toward freer discussion of national issues that he himself encouraged on taking office two years ago. In the process there has been a relaxation of much of the self-censorship practiced by the Finnish press during the more authoritarian era of Mr. Koivisto's predecessor, Urho Kekkonen, on issues related to Finland's relations with the Soviet Union.

Finnish presidents do not hold news conferences and, if Mr. Koivisto persists in his decision, he will no longer follow his practice of giving interviews to explain his policies and will not allow officials to interpret them.

His extension of this restriction to diplomats appears aimed at cutting off another source used by Finnish newspapers, which often quote articles that appear abroad, especially in Sweden.

Mr. Koivisto has made it clear over the last year that he feels Finns have gone too far in exercising the greater freedom of discussion.

Last spring he went before parliament to denounce a professor and other commentators as "gypsy fortune-tellers" who should leave foreign policy pronouncements to the president. The speech followed a speculative paper delivered in February at an international conference by Raimo Vayrynen, the professor, on whether nuclear arms could be based on Finnish soil.

In November, Mr. Koivisto sent a confidential letter to 30 newspaper editors asking them to handle foreign policy issues "more responsibly" and complaining about the Vayrynen incident and others. He reportedly mentioned the frequent questioning in the press over whether he was pursuing a consistent neutrality policy. He also mentioned complaints that he did not explain himself clearly enough.

The content of the letter was communicated to papers in Sweden and then the Finnish press began a discussion based on the Swedish reports. This discussion led Mr. Koivisto to say in an interview Jan. 3 in the Finnish Swedish-language newspaper Abo Underrättelser of

Turku: "From now on, I shall try to it that no one will explain my way of thinking, and that I myself."

U.S. Army Seeks Soldier's Captor

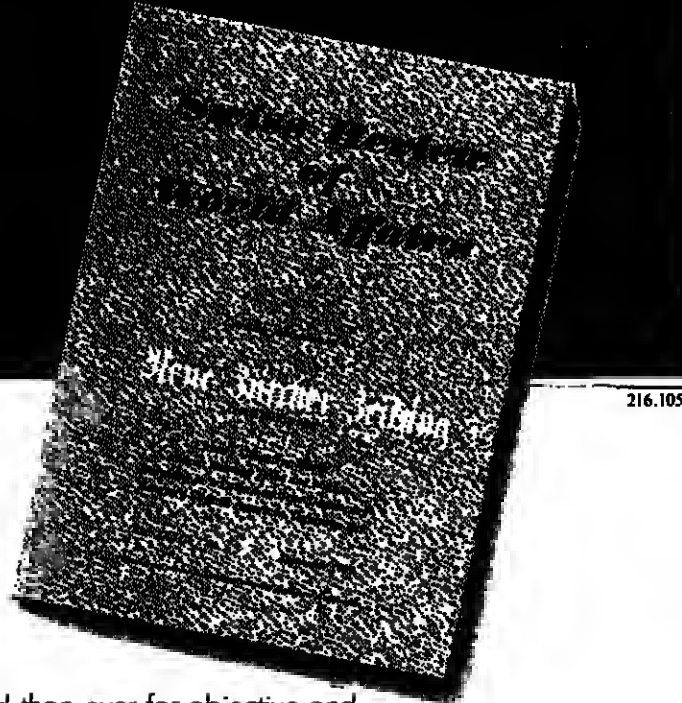
The Associated Press

SCHWABISCH-GRUND, West Germany — Military searched Monday for six American clear activists who a U.S. soldier said held him hostage for 41 days and threatened to kill him if released. But officials have not missed the possibility of a host.

The soldier, Lance Corporal Liam Fowler, 21, was listed in condition at an army hospital in Stuttgart, where he was recovering from exhaustion. He was expected to leave the hospital Tuesday.

In telephone calls to his family, Corporal Fowler reported he had been kidnapped by members of the Pacific Initiative Group, a previously unknown organization.

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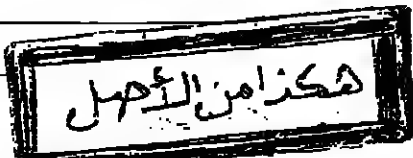
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Men's Shops in London, Paris

By John Duka

THE only thing difficult about shopping for traditional men's clothing in London and Paris these days is that there is so much to choose from. Prime ministers come and go. Governments rise, fall, are extended and removed, but the high quality of the men's stores continues almost unaltered.

Shopping in both cities is obviously attractive at this moment for those with dollars to spare. The pound, which now stands at about \$1.40, is worth \$2 in December 1978. In Paris, the dollar now buys about 8.65 francs; in December 1978, it bought about 4.30 francs.

In London, there is a dizzying number of high-quality men's stores. For those who would rather have one really good suit than three serviceable ones, there is Savile Row.

Its stores, in fact, have become almost legendary, including: Anderson & Sheppard, 30 Savile Row,

where its broad-shouldered, nipped-waist "drum suit" starts at about \$800; H. Huntsman & Son, at No. 11, a favorite of those who do not mind paying \$1,800 for a suit; and Tommy Nutter, at 18 Savile Row, whose \$1,000 suits offer traditional fabrics in nontraditional, highly styled, big-shouldered shapes.

If custom-made shirts, hand-stitched gloves and monogrammed cashmere socks are your passion, Beale & Inman, 131 New Bond Street, can provide all three. Even if you won't pay \$90 for a shirt, going to Beale & Inman is worth the visit to see a framed check from Charles Dickens, who shopped there in 1859.

These stores, however, may just be too expensive. In that case, three other stores offer very fine men's clothes at prices that won't break you: Crolla, 35 Dover Street; Paul Smith, 44 Floral Street and 23 Avery Row; and Browns Ltd., 23 South Molton Street. What distinguishes these shops from those on

Savile Row is not only price, but also a looser, more casual approach to tailoring.

Crolla is owned by Scott Crolla and only carries clothing bearing its own label. No Giorgio Armani suits here. Like many shops in London, the store has its own personality. There are ornate plaster ceilings, Oriental rugs and mirrored mantelpieces.

As for the clothes, there is a wide range of tweed suits, Black Watch plaid jackets and herringbone overcoats. Of these, the jackets and overcoats, each starting at about \$250, are excellent finds, with an exceptional fit in the shoulder. The other find here: ties of heavy, brightly colored, almost Victorian-looking brocade, priced at about \$35.

Paul Smith is one of England's leading designers, and his stores are an idiosyncratic blend of clothing, furnishings and gadgets. While his suits can be as sober as the most serious English blue suit, they are distinguished by sleek silhouettes that seem almost French. His shirts, quiet enough to wear with a navy blazer, often come in muted pastel plaids. And his tweed blazers are made of bulky yarns to give extra texture to the fabric.

For the clothing of well-known designers, such as Armani and Nino Cerruti, Browns is the store. It also offers its own version of the traditional English suit, starting at \$350, and a selection of corduroy and flannel trousers.

In Paris, the number of stores providing fine men's suits, as well as such accessories as shirts and ties, equals that of London. However, the prevailing style in the two cities varies. French clothes are tailored differently from the English: the waists in suits are more nipped, the shoulders more pronounced.

Among the stores to see are: Charvet, 8 Place Vendôme; Cerruti (1881), 27 Rue Royale; Upla, 17 Rue des Halles; Harris, 7 Rue de Turbigo; and Hemispheres, 21 Avenue de la Grande Armée.

Of these, none is more famous, and more venerable, than Charvet, which was founded in 1850. Although the store is more than 130 years old, it is in no way stodgy. Fabrics are attractively arranged in stacks on carved tables and look almost edible. There are wood-paneled walls and lush rugs. And the store has colorations to shirts, ties, pocket squares and robes that are quite daring. Indeed, even though exquisite white and blue cottons can be found there, the store excels at color and often makes dress shirts in Kelly green or ties to everything from lavender to charcoal.



Charvet in Paris uses only its own fabrics.

All the fabrics are made in Charvet's own mills, but the prices are not exorbitant. Ties start at about \$30 and custom-made shirts at about \$100.

Cerruti offers the clothing of Nino Cerruti, the Italian men's wear designer, whose double-breasted suits and blazers are among the best ready-to-wear men's clothes in Paris. Suits start at \$600. While they exhibit the natter tailoring of Italy and France, they are not extreme.

If an Ivy League prep were to open a men's clothing store in Paris, it would probably look like Hemispheres. The store's style is entirely inspired by traditional American dressing. There are, for example, classic crew-neck sweaters, corduroy trousers and penny loafers.

Why, then, buy such things in Paris? The reason is quite simply the quality of the goods and their extra details. A pair of brown leather shoes, for example, will have an extra welt sewn around the toe

to make it look as heavy as that of a Wellington.

Harris, meanwhile, seems almost like an English store, with its racks of traditional navy blazers and tweed jackets. Close inspection reveals that all have been given an extra French fillip, especially the dashing poplin raincoats with raglan sleeves and large collars. Another find here: the corduroy shirts in bright scarlet, among other good colors.

Shopping for men's clothing in Paris does not have to be limited to suits, jackets and shirts. Upla, for example, specializes in sportswear inspired by the English taste for hush jackets and the American love of overalls, both of which it carries. One of the best casual outer jackets anywhere can be found here. Made of an English cotton called Grenfell, the jacket has bellows pockets, a belt and 600 threads per square inch, which makes it superbly resistant to water and wind. At about \$160, it qualifies as one of the city's great buys.

Don Cherry, Planetary Griot

By Michael Zwerin

International Herald Tribune

PARIS — To put a Paris date-line on any headline whatsoever on an article about Don Cherry is misleading. He is a musical wanderer, a professional nomad forever searching for undiscovered, distant or forgotten voices, playing an eclectic assortment of odd instruments such as the pocket trumpet, doussoun, berimbau and conch shell. He deals with the music of the heart rather than the mind, with what he calls "universal world folklore." A planetary griot, much like the African griots, who travel from village to village preserving the past by playing harps and telling of ancient lords and legends.

Cherry was recently tracked down in a borrowed apartment on the Boulevard Raspail, en route to India by way of Grenoble. Instead of a "Who's there?" the sound of a wailing melodic answer and the huzzers. Upstairs he danced around the room speaking of Sonny Rollins, *drummed* chants and Lou Reed; about workshops past and festivals future. When asked "How does anyone ever find you for gigs?" he responded with a flashing smile and an unconcerned: "That's a good question."

Part Choctaw Indian, Cherry came to fame in the late 1950s as trumpeter with the Ornette Coleman Quintet, which was to mold the shape of jazz to come. He was raised in Oklahoma, "next to a vacant lot with a big eucalyptus tree. We had a tree house and dug tunnels. It was straight out of Huck Finn."

His family moved to a house across the street from Max's Wrecking Company in the Watts area of Los Angeles. He found a trumpet in an attic and played Stan Kenton charts in the Jefferson High School Band. He listened to Bird, Monk and Lady Day, cutting classes so he could attend "the institution where we got our real education, the streets." He was sent to the Jacob Riis detention school.

Later, working with the bassist Red Mitchell, Cherry fell in love with an obscure instrument known as the Pakistani pocket trumpet. He bought one for \$100. In 1956 he fell under Coleman's musical spell. He calls him "one of the great teachers of our time."

Cherry came out from Coleman's shadow with Rollins, John Coltrane, Albert Ayler, Gato Barbieri, George Russell and Steve Lacy in the 1960s. He met a fabric designer named Moqui who became his wife and they moved to her native Sweden. He began to



Don Cherry: Dealing with "universal world folklore."

wander spaceship earth in the 1970s, taking his music to distant places and discovering other people's.

With the saxophonist Jim Pepper, who also has Indian blood, he toured French-speaking Africa for the United States Information Service, learning about African forms and instruments. "One embassy post sent a telex: 'This group tends to be a bit slow moving to and from events,'" Cherry laughed. "I guess that was true enough. And they sort of freaked out when they learned we were playing powwow songs, but the people loved us and I would sure like to go back some day."

He wandered through India, South America, Europe, North America and back to Watts, where "I exposed black kids to the music and cultures I'd been involved with" under a grant from the National Endowment for the Arts.

He exposed his own children to his experience and daughter Nana is now bass player and singer with the punk group Rip, Rig and Panic. His son David plays keyboards. Another daughter, Jan, is a violinist. Son Eagle Eye attends New York's High School of Performing Arts as a drummer. "Which is one reason we took a loft in New York. It's sort of headquarters cow. It's on Long Island City on the river right between the tunnel and the bridge. We have a wonderful view of Manhattan. The Talking Heads live to

the same building. We have a great time together: lunches, dinners, birthday parties. Tina Weymouth has a little girl, my daughter Jan has a little girl. I'm a grandfather."

He has played and recorded with "the father of punk" Lou Reed, and with rock star Ian Dury: "They are great street poets, that is what I enjoy in their music, why I came close to them." He plays in the group Codona with Collin Walcott on sitar, the Brazilian percussionist Nana Vasconcelos, the African saxophonist Manu Dibango and the Indian tabla player Latif Khan.

"One person plays in one key and another the same melody in another and and yet it can become a unison. They both feel their notes as a tonic. It's a fantastic coming together, a miraculous agreement. Each note has many flavors, even if it is on the same frequency. If we all agree on the same rules we have an inner order. The law of the octave is like from the bottom of your feet to the top of your head, it can open up your mind. It's a sort of order, a social harmony."

"I've always tried to play music where everybody can occupy their own space, everybody can be themselves. Of course there's black music and white music and so on, and I would like young black musicians to know their own roots, but at the same time I feel this is one planet, for all of us."

Don Cherry: "Jazz Yatra." (Bombay Jazz Festival, Jan. 19-22.)



Window display at Crolla in London.

Deer Herds

Finally decided to start once feeding at dozens of sites. "You have to inject an artificial situation," Mr. Stapley said, "not a good practice, but it is obvious the situation was not. And the losses would have been massive if we hadn't done the thing is there. They just cut it under the crustal now it's made the decision, we've suggested it."

But the Utah Farm Bureau, stating that the state has a right to grow too large, urged a hunt be organized to get them. Mr. Stapley replied: "I would be like clay pigeon. I mean that. You could take it home alive."

At the Kory Cafe, a wine taster marked "Dorcas" as "Feed the Deer" collects \$100 annually from trucks. The Legislature, facing a possible food tax increase, is making considering a \$37,000 appropriation for feed and reimburse farmers for damaged crops by going wildlife.

Compromise Prime Minister

One of the proposals that was made to the sultan of Perak was to have a new constitution. The sultan of Perak, who is the chief minister of the state, resigned. This the official by did.

Stymied by the regional sultans in what is known as "battleground," Mr. Mahatma took to rally public support constitutional change through series of mass meetings and country. The crowds were large, but the response was badly mixed.

Malaysia's first prime minister, Abdul Rahman, who is the sultan of Kedah and an older statesman, said in the column in The Star, a Kuala Lumpur newspaper, that the constitutional struggle had been a shock throughout the state.

The government made a take of taking the ruler by the "Tun Chee Khoo, a public expert said in a newspaper that expresses approval of that prime minister's intention to curb royal powers but felt his approach as confrontational.

A similar view was voiced by Dato Sena, a former secretary of the prime minister. "The sultans have a right to be in stability and peace," he said. "A former ambassador to Sena, a former ambassador to Sena, and now a businessman for the rulers not because they can go to power."

Urbs to Envoys

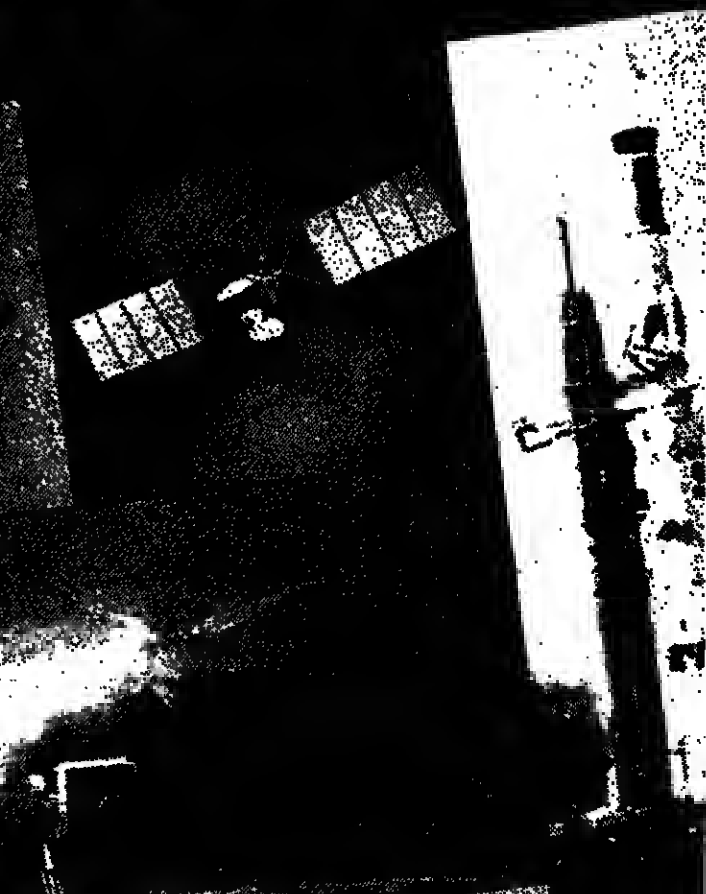
Turku: "From now on, I hope to it that no one will expect way of thinking, and that will be my self."

U.S. Army Seeks Soldier's Capt

The Associated Press. SCHWABISCH-GMÜND, West Germany — Military searched Monday for a U.S. soldier who was held hostage for several days and threatened to kill his captors. But officials here said they missed the possibility of the soldier's escape. The soldier, 21, was last seen in an army hospital in Stuttgart, where he was taken from exhaustion. He was taken to the hospital from a U.S. military base in Germany. In telephone reports, the soldier said he had been kidnapped by a group of "peace-loving" men. The soldier's name is not known.

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TUESDAY, JANUARY 17, 1984

Five Hours Heat Up German

By John Dornan

MUNICH — Now that winter and spring are upon us, the German government is not to further protest against the economic situation. The government has been accused of having been too slow to react to the economic situation. The government has been accused of having been too slow to react to the economic situation.

For weeks, management has been on a collision course with the government. The government has been accused of having been too slow to react to the economic situation. The government has been accused of having been too slow to react to the economic situation.

At issue are not only wages but also the government's role in the economy. The government has been accused of having been too slow to react to the economic situation. The government has been accused of having been too slow to react to the economic situation.

The formula was adopted last year by the government. The government has been accused of having been too slow to react to the economic situation. The government has been accused of having been too slow to react to the economic situation.

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COMMODITIES

By FRED LANGAN

Toronto Stock Exchange Is Hoping Futures Unit Will Attract Investors

TORONTO — A pair of financial futures introduced in 1980 by the Toronto Stock Exchange have not generated much excitement and have lost money for the exchange. The Toronto Futures Exchange hopes a change that by bringing in new blood, new rules and new contracts.

The Toronto Futures Exchange opened Monday in a trading pit off to the side of the Toronto Stock Exchange floor. The same pit had been used for decades for trading contracts on long-term government bonds and 91-day Canada Treasury bills. It has not been a hectic spot. On the Monday afternoon a week before the opening a half dozen bored-looking traders stood around reading the paper, doing crosswords or staring at the silent pit.

The Toronto Futures Exchange has had great success running the futures market in bonds and bills. The new futures exchange hopes to change that by making it easier for anyone with enough money to buy a seat. To be a member of the Toronto Stock Exchange, an individual cannot buy a seat on the exchange. He must be a "local," or an individual speculator, making a market with representatives of banks and brokerage houses.

That's another change. Banks and foreign brokerage firms are not allowed to own seats on the stock exchange. On the futures exchange they can and do. All the big Canadian banks have at least one seat each as does a major trust company. There are two Australian seat-holders, three Japanese securities firms and three investors from Hong Kong and one British member along with some Americans.

There were 300 seats up for sale at 6,500 Canadian dollars (\$5,200) each, and by the time the sale ended, 240 seats had been sold.

The only people who can be kept off the floor are applicants with a criminal record or who have gone bankrupt. Officials of the futures exchange report that only two unsavory characters showed interest in a seat but they were politely discouraged without ever making a formal application.

Relaxing Strict Rules

The hope is that the futures exchange, by relaxing the strict rules of the Toronto Stock Exchange, will attract the local individuals who make such markets as the Chicago Mercantile Exchange so active. "Toronto is an active commodity town," says Andrew Claden, general manager of the futures exchange, "and most of that business is going to Chicago. If we just took a portion of it and repatriated it we would have a thriving exchange."

The futures exchange is trying to encourage "locals," the freelance speculators who it hopes will bring both liquidity and action to the new pit. Toronto futures pit. Institutions will be charged \$2.50 for each contract traded, but locals can do it for nothing.

Some of the individual traders who have bought a seat may find it more difficult to trade than they imagined. Each individual needs a clearing broker to handle trades. The brokers are demanding that individuals or small partnerships put up \$75,000 before they are allowed to trade.

The futures exchange has written a complex computer program that has a record for each trader's limit, so that an over-enthusiastic trader will not be allowed to go bankrupt, possibly taking a few other people with him. There is also a contingency fund of \$300,000 to protect the public in case any of the seat-holders get in over their heads.

The futures exchange was to start trading in four contracts, the two existing bond and bill futures that it takes over from the Toronto Stock Exchange, a 100-ounce silver contract and a contract on the stock exchange's 300 composite index, already known as the TSE 300. It is this contract that is expected to provide most of the action in the new pit, just as the Standard & Poor's 500 contract has at times been the busiest at the Chicago Mercantile Exchange.

Commodity specialists predict the TSE 300 index futures will be a success because of interest from U.S. investors. More than half the value of the index — such stocks as Dome Petroleum and Alcan Aluminum — is also traded on exchanges in the United States. "A lot of portfolio managers in the States are going to be interested in the TSE 300 contract because most of the interest stocks are in the natural resources, mining, gold and oil and gas," says Timothy Blake, head of the Commodity Section at Richardson Greenshields in Toronto.

Other contracts planned for the futures exchange are a Canadian dollar contract and a contract in British pounds. It is expected that the banks and brokers will show some interest in the bonds and bills, but the banks especially will use the currency contracts, which are expected to begin trading in April.

International Herald Tribune

Chase Says Profit Rose 40% in '83 But 1982's Net Cut by Drysdale

By Mary Tobin

United Press International

NEW YORK — Chase Manhattan Corp. reported Monday that 1983 earnings jumped 40 percent to \$430 million. But its 1982 earnings were depressed by write-offs on Drysdale Government Securities and excluding that, earnings rose only slightly.

Meanwhile, First Chicago Corp. reported a 34 percent rise in its 1983 net earnings.

Without a \$117-million write-off in 1982 related to Drysdale, Chase's 1983 earnings would have risen 46 million. The small increase was largely because of non-performing loans in Latin America.

The corporation's principal subsidiary, Chase Manhattan Bank, itemized its non-accruing Latin American loans by country as all banks will be required to do this year. These are renegotiated loans and others on which it is receiving no interest.

At year-end Chase had approximately \$215 million in non-performing loans to private-sector borrowers in Mexico, \$140 million to the private sector in Argentina, \$120 million in Venezuela and less than \$5 million in Brazil.

"In light of current conditions it is possible that further delays in payments of interest and principal on Chase's outstanding loans to borrowers in these countries and possibly others may be experienced," Chase said. Chase is the nation's third-largest commercial bank.

Chase's per-share earnings in 1983 amounted to \$10.96, up from \$7.73 in 1982. Fourth-quarter earnings rose 10 percent to \$110 million, or \$2.78 a share, from \$100 million, or \$2.58 a share, in the final quarter of 1982.

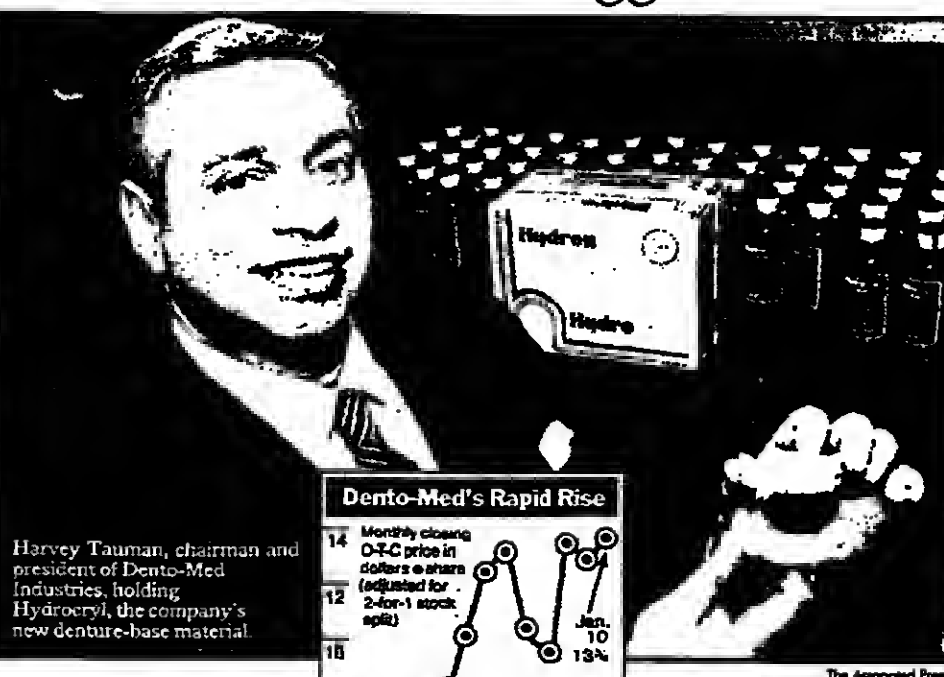
First Chicago Corp. had a 34 percent rise in 1983 net earnings to \$183.5 million, or \$3.92 a share, from 1982 profits of \$136.8 million, or \$3.33 a share.

First Chicago, whose principal subsidiary, First National Bank of Chicago, is the 11th largest in the United States, also reported its second-best fourth-quarter results. In the final period it earned \$47.9 million, or \$1.14 a share, up from \$41.7 million, or 96 cents a share, in the final period of 1982.

Living Bank Corp., parent of Irving Trust, reported that 1983 earnings rose to \$92.5 million, or \$9.72 a share, from \$81.01 million, or \$9.13 a share, in the previous year. Fourth-quarter profits were up to \$23 million, or \$2.41 a share, from \$20.86 million, or \$2.29 a share, in the year-earlier period.

U.S. Trust Corp., the relatively small New York bank that caters to wealthy individuals, reported that 1983 earnings rose almost 20 percent to \$18.42 million, or \$4.17 a share, from \$15.4 million, or \$3.42 a share, in 1982. Final period profits were \$3.9 million, or 92 cents a share, up from \$3.1 million, or 68 cents a share, in the comparable period a year earlier.

Dento-Med, Despite Posting Loss, Was 1983 Market's Biggest Hit



Harvey Tauman, chairman and president of Dento-Med Industries, holding a model of a dental chair.

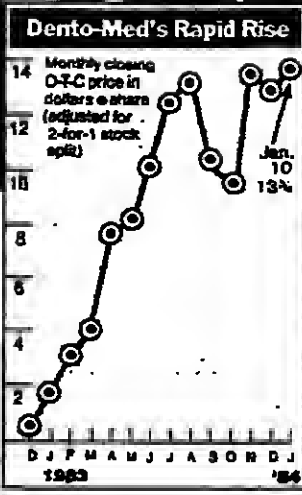
By Jesus Rangel

New York Times Service

NEW YORK — In 1970, Harvey Tauman took over a successful family-owned dental laboratory from his father and sold most of its equipment to concentrate on selling what he thought would be a revolutionary new material to make dentures.

Thirteen years later, Dento-Med Industries, with only four employees, had yet to market the material. But the Miami Beach concern was the biggest hit in the 1983 stock market, dwarfing companies far larger by scoring the biggest percentage gain, nearly 25-fold.

Most analysts have not heard of Dento-Med. In fact, many say



Dento-Med's Rapid Rise

they cannot explain why a small company, which had a loss of \$184,310 in its latest nine months, could make such a roar.

One reason may be Mr. Tauman, the company's president and chairman, who is also its most active promoter. His dream

is "to establish a worldwide health-products company." He regularly mails company reports to dentists and others in the field. Perhaps as a result, he said, about half of the company's 7,000 stockholders are dentists.

And part of the rise may be attributed to the strong overall stock market last year and to the especially good showing of many secondary and speculative issues.

The 42-year-old Mr. Tauman also banded the underwriting when the company went public in March 1970, offering 60,000 shares at \$5 each. After being split three times, there are now 11,041,000 shares outstanding, and Mr. Tauman and his wife, (Continued on Page 9, Col.3)

Supreme Court Upholds Award Against AT&T

United Press International

WASHINGTON — The Supreme Court ruled Monday that American Telephone & Telegraph Co. must pay a \$376-million award to Litton Systems Inc. over AT&T's monopoly of telephone equipment. It was one of the largest antitrust awards in history.

The court's action came on the heels of the breakup of AT&T under order of another federal court, which had ruled that the company had monopolized the telephone network. AT&T was divided into seven independent regional phone companies Jan. 1.

A group representing state telephone regulators in 50 states had urged the high court to review the Litton case. The National Association of Regulatory Utility Commissioners said that each local Bell operating company would have to pay part of the award, by raising phone rates.

The dispute between Litton Systems and AT&T, based in New York, focused on the Bell System's control of the telephone-equipment market, which includes office switchboards. Litton Systems, a unit of Los Angeles-based Litton Industries, entered the market in the early 1970s but dropped out in 1974.

Two years later, it charged that AT&T wrongly required unnecessary and expensive connecting equipment to link its network with the businesses that had signed up with Litton. AT&T maintained that such connections could harm the telephone network because of

lack of standard installation, equipment and maintenance.

Litton charged that AT&T opposed federal standards that would have made such connections easier, and drove it out of the market.

After a five-month trial, a jury found against the Bell System on a variety of grounds, including bad faith actions in opposing federal standards governing such equipment.

On appeal, the 2d U.S. Circuit Court of Appeals in Manhattan upheld the lower court, rejecting numerous AT&T defenses in a 90-page opinion.

A three-judge panel rebuffed AT&T's claim that its lobbying with the Federal Communications Commission should not have been introduced into evidence. The phone company said it was merely defending contested standards before a federal agency.

But the federal government argued that AT&T did not make a "good faith" effort to influence agency decision-making, but a "calculated bid to directly restrain competition."

■ Award Cuts Earnings
AT&T's 1983 net income will be reduced by about \$185 million, or 20 cents a share, because of the antitrust award, according to a company spokesman, Reuters reported Monday from New York.

The spokesman said that the charge would be included in AT&T's fourth quarter results. AT&T reported a record profit of \$7.28 billion in 1982.

Task Force Seeks to End Deadlock With Fed

Compromise on Regulatory Powers Is Proposed in Banking Reforms

By Robert D. Hershey Jr.

New York Times Service

WASHINGTON — The Federal Reserve Board appears ready to give up some of its supervisory powers over commercial banks as part of a plan to consolidate bank regulation in a new entity called the Federal Banking Agency.

According to an administration official, the staff of the administration's Task Group on Regulation of Financial Services has devised a proposal intended to break a long-standing deadlock over the Fed's regulatory role. He said he would be surprised if the proposal was rejected.

Under the compromise plan put forward in recent days, the Fed would have authority over a group of banks with the biggest international operations but would transfer its rule-making authority on what activities are permissible for banks in general to the new agency. The Fed, however, would have the right to veto any of these so-called "laundry list" items to which it objected.

The Fed, moreover, would continue to directly supervise bank-holding companies and would have a role in the regulation of state-chartered banks.

The major international banks subject to Fed jurisdiction would number about 50, the official said, but the exact number at any given time would depend on their scope of foreign operations. A previous proposal had envisioned having the Fed regulate the 20 biggest banks.

Paul A. Volcker, chairman of the Federal Reserve Board, has submitted a lengthy memorandum to the task group strongly arguing the Fed's case that it needs some "hands on" supervisory responsibilities to properly fulfill its role as a central bank. He is expected to discuss the latest plan with Treasury Secretary Donald T. Regan early this week.

Mr. Regan is vice chairman of the task group, which has scheduled what may be its final meeting for Wednesday afternoon. The group's chairman is Vice President George Bush.

Reports that Preston Martin, vice chairman of the Fed, has recommended acceptance of the compromise plan could not be confirmed.

Some people close to the issue interpret the latest development as a perhaps last-ditch effort by the administration to obtain Mr. Volcker's support for the panel's array of recommendations, which require approval by Congress. His opposition could perhaps doom efforts to further deregulate financial services.

Mr. Bush and his staff have offered the Federal Reserve a larger supervisory role than the Bush staff had proposed at first. Apparently this shift represents an effort to avoid a split with Mr. Volcker and his open opposition before Congress against what is sure to be a central element of the administration's proposal.

Mr. Regan has made no specific mention of the latest plan but did suggest on Friday that efforts to break the deadlock had intensified.

He said there had been "several meetings" among Mr. Bush, Mr. Volcker, Mr. Regan himself and their staffs, adding, "There has been no final position taken by anyone although we are hopeful over the next week or so that we could reasonably see whether there is a chance for compromise."

If complete agreement was not reached, Mr. Regan said, perhaps the task group would decide to go with what it had, leaving the remaining points unfinished. Alternatively, the group could decide to "prolong its life," he said, its recommendations are eventually to be converted to proposed legislation.

"I'm reasonably optimistic," Mr. Regan added, "that practically all these things can be solved with the possible exception of who takes care of the laundry list" or the expanded powers granted to holding companies under the bill sponsored by Jake Garn, the Utah Republican who heads the Senate banking committee.

U.K. Retail Sales Rise to a Record

Reuters

LONDON — Britain's retail sales index rose 2.05 percent in December from the previous month, to a record 115.4 base 1978, according to provisional figures issued by the Department of Trade and Industry Monday.

The previous record was 117.3 recorded last September, the department said.

In the fourth quarter of 1983, retail trade was 2 percent higher than in the third quarter and 6 percent higher than in the final quarter of 1982, the department said.

Earlier, a survey by the Confederation of British Industry and the Financial Times showed that strong Christmas buying produced a sharp rise in retailers' and wholesalers' December sales from a year earlier. The survey also showed that further strong gains are expected this year.

CURRENCY RATES

Official figures for Amsterdam, Brussels, Milan, Paris, New York rates at 4:00 pm EST.

	U.S.	Sw.	Fr.	Gr.	It.	Sp.	Port.	Bel.	Neth.	Den.	Fin.	Yen
American	1.00	1.48	6.55	16.36	20.36	166.63	200.48	336.78	20.36	13.76	5.94	340.75
London	0.78	1.15	4.84	12.24	15.48	125.31	156.62	256.62	15.48	9.84	4.24	240.75
Frankfurt	0.78	1.15	4.84	12.24	15.48	125.31	156.62	256.62	15.48	9.84	4.24	240.75
Paris	0.78	1.15	4.84	12.24	15.48	125.31	156.62	256.62	15.48	9.84	4.24	240.75
Brussels	0.78	1.15	4.84	12.24	15.48	125.31	156.62	256.62	15.48	9.84	4.24	240.75
Milan	0.78	1.15	4.84	12.24	15.48	125.31	156.62	256.62	15.48	9.84	4.24	240.75
Rome	0.78	1.15	4.84	12.24	15.48	125.31	156.62	256.62	15.48	9.84	4.24	240.75
Madrid	0.78	1.15	4.84	12.24	15.48	125.31	156.62	256.62	15.48	9.84	4.24	240.75
Barcelona	0.78	1.15	4.84	12.24	15.48	125.31	156.62	256.62	15.48	9.84	4.24	240.75
Amsterdam	0.78	1.15	4.84	12.24	15.48	125.31	156.62	256.62	15.48	9.84	4.24	240.75
Stockholm	0.78	1.15	4.84	12.24	15.48	125.31	156.62	256.62	15.48	9.84	4.24	240.75
Helsinki	0.78	1.15	4.84	12.24	15.48	125.31	156.62	256.62	15.48	9.84	4.24	240.75
Copenhagen	0.78	1.15	4.84	12.24	15.48	125.31	156.62	256.62	15.48	9.84	4.24	240.75
Oslo	0.78	1.15	4.84	12.24	15.48	125.31	156.62	256.62	15.48	9.84	4.24	240.75
Stockholm	0.78	1.15	4.84	12.24	15.48	125.31	156.62	256.62	15.48	9.84	4.24	240.75
Helsinki	0.78	1.15	4.84	12.24	15.48	125.31	156.62	256.62	15.48	9.84	4.24	240.75
Copenhagen	0.78	1.15	4.84	12.24	15.48	125.31	156.62	256.62	15.48	9.84	4.24	240.75
Oslo	0.78	1.15	4.84	12.24	15.48	125.31	156.62	256.62	15.48	9.84	4.24	240.75

Source: Reuters

U.S. dollar: 1.00 = 1.48 Swiss francs, 6.55 French francs, 16.36 German marks, 20.36 Italian lire, 166.63 Spanish pesetas, 200.48 Belgian francs, 336.78 Dutch guilders, 20.36 Danish kroner, 13.76 Finnish markkaa, 5.94 Japanese yen.

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U.S. dollar

NYSE Most Actives									
Symbol	Vol.	High	Low	Close	Change	Symbol	Vol.	High	Low
IBM	1,234,567	125.50	124.00	124.75	+0.75	IBM	1,234,567	125.50	124.00
AT&T	987,654	45.25	44.75	45.00	+0.25	AT&T	987,654	45.25	44.75
GE	876,543	32.10	31.80	32.00	+0.20	GE	876,543	32.10	31.80
AMC	765,432	18.50	18.25	18.40	+0.15	AMC	765,432	18.50	18.25
...

Dow Jones Averages									
Index	High	Low	Close	Change	Index	High	Low	Close	Change
Indus. Ave.	1,234.56	1,230.00	1,232.00	+1.50	Comp. Ind.	1,234.56	1,230.00	1,232.00	+1.50
Transp.	123.45	122.00	122.50	+0.50	Utilities	123.45	122.00	122.50	+0.50
...

NYSE Index									
Index	High	Low	Close	Change	Index	High	Low	Close	Change
Composite	123.45	122.00	122.50	+0.50	Indus.	123.45	122.00	122.50	+0.50
...

Monday's
NYSE
Closing

Vol. of 4 A.M. 12,790,000
Prev. 4 A.M. Vol. 12,790,000
Prev. Consolidated Close 126.19, 126.19

Tables include the nationwide prices
Up to the closing on Wall Street

AMEX Diaries									
Symbol	Vol.	High	Low	Close	Change	Symbol	Vol.	High	Low
...

NASDAQ Index									
Index	High	Low	Close	Change	Index	High	Low	Close	Change
...

AMEX Most Actives									
Symbol	Vol.	High	Low	Close	Change	Symbol	Vol.	High	Low
...

NYSE Most Actives									
Symbol	Vol.	High	Low	Close	Change	Symbol	Vol.	High	Low
IBM	1,234,567	125.50	124.00	124.75	+0.75	IBM	1,234,567	125.50	124.00
AT&T	987,654	45.25	44.75	45.00	+0.25	AT&T	987,654	45.25	44.75
GE	876,543	32.10	31.80	32.00	+0.20	GE	876,543	32.10	31.80
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...

Dow Jones Averages									
Index	High	Low	Close	Change	Index	High	Low	Close	Change
Indus. Ave.	1,234.56	1,230.00	1,232.00	+1.50	Comp. Ind.	1,234.56	1,230.00	1,232.00	+1.50
Transp.	123.45	122.00	122.50	+0.50	Utilities	123.45	122.00	122.50	+0.50
...

NYSE Index									
Index	High	Low	Close	Change	Index	High	Low	Close	Change
Composite	123.45	122.00	122.50	+0.50	Indus.	123.45	122.00	122.50	+0.50
...

AMEX Diaries									
Symbol	Vol.	High	Low	Close	Change	Symbol	Vol.	High	Low
...

NASDAQ Index									
Index	High	Low	Close	Change	Index	High	Low	Close	Change
...

AMEX Most Actives									
Symbol	Vol.	High	Low	Close	Change	Symbol	Vol.	High	Low
...

AMEX Stock Index									
Index	High	Low	Close	Change	Index	High	Low	Close	Change
...

Business Bro
Bar at 70.1% of Ca
Last Month for 1983

Brick to Raise '83
The brick industry is expected to see a significant increase in production for 1983, with many manufacturers planning to expand their operations.

Oil Talks Are I
Oil prices are expected to remain stable in the near future, as major oil-producing nations continue to maintain their production levels.

2d Well in South
A second oil well has been discovered in the southern region, which could significantly increase the area's oil reserves.

Prisoner Bids for Roy
A prisoner has made a bid for a royal pardon, claiming to have committed a crime in the name of the crown.

Plans to Close British
The British government has announced plans to close several government-owned enterprises, as part of a broader economic restructuring program.

Reports
Reports indicate that the economy is showing signs of recovery, with unemployment rates beginning to decline.

Output at
Output at the factory has increased by 10% compared to the previous quarter, due to improved production techniques.

Normal
The weather is returning to normal after a period of extreme cold, which has caused some disruption to daily life.

Den
The denial of the charges against the suspect has been met with skepticism by the public, who believe the evidence is overwhelming.

St. Louis Firm
A St. Louis firm has been awarded a major contract to build a new bridge over the Mississippi River, which will significantly improve transportation in the area.

مكاتبنا في لندن

BUSINESS BRIEFS

Industry Ran at 79.4% of Capacity in U.S. Last Month, for 4 1/2-Year High

WASHINGTON (AP) — U.S. industry operated at 79.4 percent of capacity last month, with automakers operating at their highest rate in 4 1/2 years, the government reported Monday.

The December increase of 0.3 percentage point over November marked the 13th monthly increase in operating rates for factories, mines and utilities and boosted the capacity rate to almost a full 100 percent since its low point as the recession was coming to an end in November 1982.

At 81.9 percent, U.S. auto plants operated at a higher rate in December than they had since June 1979.

The Federal Reserve Board, which released the report, said that while the operating rates continued to rise in the final quarter of the year, "the increases were less rapid than those recorded in the spring and summer."

London Brick to Raise '83 Dividend

LONDON (Reuters) — London Brick PLC will raise its final 1983 dividend to 2.85 pence (54.03) a share, raising total dividends for the year 50 percent, the company said in a statement rejecting an increased bid by Hanson Trust PLC.

London Brick, Britain's largest maker of bricks, also said that it intends to issue a "very good" profit forecast for 1984.

Hanson Trust, an industrial conglomerate, Friday increased its offer to 145 pence cash for each London Brick ordinary share, from 120 pence. The new bid, valued at £212 million, also introduced an alternative of debentures convertible into Hanson shares beginning in 1988.

London Brick closed Monday at 146 pence, up from 138 pence Friday. Hanson Trust closed at 274 pence, up from 270 pence Friday.

Philippine-IMF Talks Are Delayed

MANILA (Reuters) — Negotiations between the Philippines and the International Monetary Fund on a standby credit for \$550 million have been delayed because of a discrepancy in the Philippine central bank figures, according to Prime Minister Cesar Virata of the Philippines.

Mr. Virata said Sunday that the talks with the IMF, regarded as crucial by bankers in Manila, would determine whether the Philippines would be able to raise new loans, valued at \$3.3 billion, from private banks and other institutions. A bridging loan that the Philippines hopes to get from the United States also depends on reaching agreement with the IMF.

It was disclosed last month that the central bank had overstated its foreign-exchange holdings by \$600 million until the end of last September. But the government said the figure had been readjusted before talks began in October with 350 creditor bankers to restructure some of the country's \$25 billion in foreign debts. It was the first time the prime minister publicly admitted that the delay was caused by the overstatement.

BP Starts 2d Well in South China Sea

LONDON (AP) — British Petroleum, the first foreign oil company to drill for oil in China, announced Monday that it has started a second well exploring the Pearl River Basin of the South China Sea.

Last Tuesday BP said its first offshore well struck oil, but not enough was found to be worth exploiting, and the well was abandoned. BP said work on the second well, called Kaiping 1-1-1, started Saturday.

BP has 45 percent of the exploration consortium with Broken Hill Proprietary Ltd. of Australia holding 20 percent, Petrobras International SA of Brazil 15 percent, Ranger Oil Ltd. of Canada 10 percent and Petro-Canada Exploration Inc. 10 percent.

Victor Posner Bids for Royal Crown

MIAMI (Reuters) — Victor Posner, chairman and chief executive officer of DWG Corp., said Monday that DWG's affiliate, Chesapeake Insurance Co., is making through a newly formed subsidiary a leveraged buyout offer for Royal Crown Co. under which Royal Crown shareholders will receive \$40 a share.

The proposal would be subject to the cancellation of the planned issuance of two million shares of preferred stock announced Monday by Royal Crown, the fifth-largest maker of soft drinks in the United States. DWG said that it would challenge the stock issuance as an illegal and unauthorized act that is not in the best interest of all shareholders of Royal Crown.

Chesapeake Insurance owns about 24.8 percent of Royal Crown's 8.2 million shares of common stock outstanding. DWG and other corporations controlled by it own another 2 percent. Royal Crown gained \$2.25 on the New York Stock Exchange Monday to close at \$35.25.

U.S. Airline Buys 12 U.K. Planes

PRESTWICK, Britain (AP) — British Aerospace announced Monday the sale of 12 Jetstream 31 commuter aircraft valued at £20 million (\$28.2 million) to Metro Airlines of Houston.

Brian Thomas, managing director of British Aerospace's Scottish Division, said that Metro will begin taking delivery of the 19-seater turboprop aircraft in April for use on a commuter and connecting route to be operated with Eastern Airlines between Atlanta and Houston. A Metro subsidiary to be called Eastern Metro Express is being set up to operate the route.

The Jetstream 31 twin turboprop, which had its maiden flight on March 28, 1980, is produced at a British Aerospace plant in Prestwick. It is powered by two Garrett TPE331-109 engines.

Ford Plans to Close British Foundry

LONDON (Reuters) — Ford Motor Co., the British subsidiary of Ford Motor Co. of the United States, said Monday that its foundry in Dagenham, Essex, would stop production in April 1985 with a loss of 2,000 jobs.

The foundry has been unprofitable since 1978 and has incurred losses of more than £75 million (\$53.6 million) in the past three years, the company said after a meeting with union officials and employers' representatives. The company said it plans a phased closing, with a program of early retirement and voluntary layoffs.

Talbot Reports Poissy Output at 90% of Normal

PARIS — Production reached 90 percent of normal capacity Monday at the troubled Talbot plant at Poissy outside Paris, and output was expected to return to normal Tuesday, a company spokesman said.

Assembly lines making the Solara and Horizon models had restarted production, he said, and only the line producing the Peugeot 205 model was still idle after a month-long strike over a government-backed plan for layoffs.

The spokesman said that the entire slumped-down work force of 14,100 would be back in the factory Tuesday. Production has gradually resumed since last Wednesday, and he said that about 12,600 employees had been recalled to work Monday.

"Unfortunately, we still have to screen those admitted to the plant," he said. Non-Talbot workers, angered by the company's decision to lay off 1,505 employees, were attempting to enter the factory to continue agitation, he said.

awley Buys St. Louis Firm

International Herald Tribune

LONDON — Hawley Group C, a British security, cleaning and financial-services concern, said Monday that it had agreed to buy Regan Lawns Corp. of St. Louis for \$15 million. Evergreen was a privately owned lawn-care company.

BNP Issuing Eurobond for \$350 Million

Reuters

LONDON — Banque Nationale de Paris is issuing a \$350-million, 11-year bullet floating-rate note, market sources said Monday. They said the coupon is 1/4 percentage point over the six-month London interbank rate, which stands currently at 9 15/16 percent.

BNP is co-lead manager with Credit Suisse First Boston Ltd. Payment date for the issue will be Feb. 6, with denominations of \$10,000, the sources said.

Allied Corp. is raising a 125-million-Denmark-mark (\$44.6 million), 10-year Eurobond, bond market sources in Frankfurt said.

The issue, which is priced at par, carries a 7 1/2-percent coupon, payable annually on Feb. 1. Allied may call the bonds at 102 in 1989 and 1990, at 101 1/2 in 1991, at 101 in 1992 and at 100 1/2 in 1993.

The offering will be lead managed by Dresdner Bank.

Co-managers are Lehman Bros. Kuhn Loeb, Allgemeine Bank Nederland, Credit Suisse First Boston, Deutsche Bank, Kleiwort Benson, Morgao Guaranty and J. Heory Schroder Wagg Ltd.

Asian States, Wary of Gulf Threat, Easing Reliance on Middle East Oil

By Rory Channing

Reuters

SINGAPORE — In spite of cheaper oil in 1983 and forecasts of stable prices for years to come, Asian countries are mounting a determined drive to slash their heavy reliance on Middle East producers.

The fall in oil prices last year eased the region's economies by lifting the pressure on balances of payments and enabled one of the world's biggest borrowers, South Korea, to scale down its needs of foreign debt in the years ahead.

But fears linger over Iran's repeated threats to block the Gulf by blocking the Strait of Hormuz, through which most Gulf oil passes.

The sustained strength of the dollar, in which nearly all international oil trading is done, has eroded a good part of the benefit that the lower prices would have brought to consuming countries. They are concerned that this may persist.

The Philippines energy minister, Gerardo S. Velasco, echoing a mood of caution that is common in many of the region's oil-consuming states, said recently that for the developing nations the oil crisis is "still very real."

For Japan, the world's second-largest importer, the price fall will filter through in significant cuts in the growth of wholesale and consumer price inflation, the Economic Planning Agency says. It will also boost inflation-adjusted economic growth by about 0.35 percent in 1983-84 and 0.93 percent in 1984-85.

But oil-trading sources in Jakarta reported an upsurge in Japanese buying of Indonesian oil in recent months, which they viewed as a move to diversify its sources of supply away from the Middle East in case of blockages in Gulf shipments.

Taiwan also is taking firm steps to guard against a cut in supplies through the Strait, according to Lee Tu-Hai, chairman of Chinese Petroleum Corp. "The CPC raised its stockpile to three months in 1983 from two months the previous year and will continue to boost this to over four months soon," he said.

The lower prices have enabled South Korea, Asia's most indebted country, which is entirely dependent on imports for its oil needs, to rewrite its current five-year plan.

An official of the South Korean Energy Ministry said: "It is true that some construction companies share financial difficulties with Middle East Gulf countries," because of the price cut last March by the Organization of Petroleum Exporting Countries. "But it was a hell of a good piece of news," he said.

The current account is now scheduled to show a deficit of only \$1.6 billion in 1983, compared with \$4.4 billion expected previously, and is expected to move out of a deficit to a surplus of \$400 million in 1986, compared with the \$3.6-billion deficit originally forecast.

Furthermore, the outstanding debt of South Korea, which is the world's fourth-largest borrower, will turn out 26 percent lower at the end of 1986 than the \$64.5 billion originally expected.

But for another of Asia's major borrowers the oil price fell far too little to stave off trouble. The Philippines' oil-import bill remained at about the \$2.1 billion of 1982 partly because of two devaluations and bad weather.

The Philippines' foreign-exchange crisis forced major oil companies to extend credit to help replenish dwindling oil stocks, and domestic fuel prices jumped 45 percent from 1981's levels because of the drop in value of the peso.

Thailand managed to cut its import bill about 12 percent, and it has laid the groundwork for a major expansion of its gas and oil industry to cut its reliance on foreign energy to about 30 percent by the end of the decade from 65 percent now.

India, whose oil-drained balance of payments forced it to look to the International Monetary Fund for a record \$5-billion loan in 1981, is counting on oil finds off Bombay to achieve self-sufficiency by 1990.

Pakistan has made energy its top priority in a four-year plan that runs to 1988. With hardly any of its own oil, it plans a huge exploration effort involving the drilling of 250 wells, compared with only 82 wells sunk in the past five years.

Western experts have billed China's offshore exploration as the biggest drilling challenge since the North Sea and the last remaining frontier in big-league exploration.

Indonesia, which is Asia's sole OPEC member, was forced to draw up an austerity budget, devalue the rupiah 27.5 percent against the dollar and reorder industrial projects valued at \$21 billion after the OPEC price cut last March.

The measures pinched, and within months of the OPEC agreement, which also included production limits, Indonesia joined other members in boosting output above their quotas to chase extra oil sales.

But it faces a dilemma over whether to continue producing over its quota of 1.3 million barrels a day to supply the peak winter demand in the industrialized states, or to abide by the March accord, which all OPEC members reconfirmed last month.

The Indonesian Central Bank has raised projections of oil earnings for the fiscal year ending March 31 to \$5.7 billion from the \$5-billion forecast it made after the March price cut.

Malaysia, the region's next largest exporter, is not an OPEC member and is taking full advantage of OPEC's restraint in aiming to boost output next year to 50 percent above the 300,000 barrels a day it pumped at the start of 1983.

GE, P&W Slug It Out in Engine 'War'

By Raymond Bonner

New York Times Service

NEW YORK — The combatants are giants; the stakes are high; the taxpayers are watching, and Congress has sought to avoid the fray.

At stake is a contract, valued at \$10 billion to \$14 billion, to build 2,400 to 2,600 engines for U.S. Air Force F-15 and F-16 fighters. Within the next two weeks, the secretary of the Air Force will award the plum to either the Pratt & Whitney Aircraft unit of United Technologies Corp. or General Electric Co., or to both.

The two are the premier U.S. makers of military-aircraft engines and are the two biggest producers of jet engines in the noncommunist world.

P&W, whose F-100 engine is currently used by the Air Force to power both the F-15 and F-16, has proposed an improved version of that engine. GE, whose engines power several military aircraft, including the giant C-5 transport and the B-1 bomber, has proposed a slightly higher-thrust engine called the F-110.

The Air Force secretary, Verne Orr, received final recommendations last Thursday in what is being called "the great engine war." His decision is expected soon, and an announcement by the Defense Department is expected by about Jan. 25.

Mr. Orr's recommendation to his superior, Defense Secretary Caspar

W. Weinberger, will not be the end of the saga, which has already lasted nearly five years. Lowell P. Weicker Jr., the Republican senator in whose state of Connecticut the Pratt & Whitney engines would be built, has already asked the General Accounting Office to review the Pentagon's decision, even before it has been made.

"Long ago, it went well beyond arguments about technology to a political football," said one congressional aide who has been following the competition.

Like nearly everyone associated with the competition, the aide agreed to talk about it only on the condition that he not be identified. Even spokesmen for the competing companies would not allow their names to be used. Nor would they say how many jobs were involved or the profits to be generated.

As the competition has proceeded toward a decision, the two companies' visibility on Capitol Hill has been high. "Both sides are able to generate enormous political support and pressure when they want to," one congressional aide said.

Normally, the secretary of the military branch buying equipment has final authority over contract awards. In this case, that would be Mr. Orr.

But before recessing last month, Congress enacted a law requiring that the defense secretary himself review, and approve, any decision on the engine. Congressional aides

said that it was rare for such a requirement to be imposed.

Pratt & Whitney has supplied the engines for the F-15 and F-16 since the early 1970s, but its relations with the Air Force have soured because of engine failures and reliability problems on the early F-100s. The company has also been accused of overcharging on engine spare parts.

Amid these problems, the Air Force decided to put the next contract for F-15 and F-16 engines up for grabs.

In the last five years, GE has mounted an aggressive challenge to what had been Pratt & Whitney's dominance of the jet-engine market. GE today has about 35 percent of the commercial market, compared with 40 percent for P&W. The companies' military sales are nearly equal at about \$2.5 billion last year.

The Air Force has estimated that each engine would cost \$2.4 million to \$3 million, and from \$310 to \$450 an hour to maintain.

Not even GE expects to be awarded the entire contract, a corporate spokesman said. If either company walks away with it all, it will be Pratt, he conceded.

One Wall Street brokerage firm, Sanford C. Bernstein & Co., has predicted that the entire contract will go to Pratt & Whitney.

"Pratt's F-100 engine seems far more cost-effective than GE's competing F-110, since its unit-manufacturing costs are far down the earnings curve — over 3,000 en-

gines have been built to date — and the logistics and support equipment are already in place worldwide," the firm said in a report written by David J. Smith, an analyst.

"By contrast, GE's power plant is basically new and would also require establishment of a costly logistics system."

Asked about Mr. Smith's views, the GE spokesman said, "We just don't share his reasoning."

Both companies and congressional followers of the process expect that the contract will be split between the two companies. But while this may be politically judicious, it is almost certain to raise problems for the Air Force as the engines are not interchangeable.

Such a decision would lead to "logistics nightmares, spare parts nightmares, training nightmares," a congressional aide said. It would also deprive the government of the advantages of competitive bidding, the aide added.

Finnish Prices Rise

The Associated Press

HELSINKI — Finland's consumer prices in December eased 0.1 percent from November, but were 8.6 percent higher than a year earlier, the Central Bureau of Statistics said Monday.

McGregor Joins Bidding For Fabergé

The Associated Press

NEW YORK — McGregor Corp. entered the bidding for Fabergé Inc. Monday, offering \$32 a share in cash and securities for the maker of toletries, Fabergé said.

Fabergé, which earlier this month agreed to be taken private for \$30 a share in a leveraged buyout by an investment banking firm, said the McGregor proposal would be presented to its board Thursday.

McGregor, a clothing maker that is controlled by Rapid-American Corp., has advised Fabergé that it owns or has contracted to acquire about 1.2 million shares, or about 21 percent, of Fabergé's 5.6 million common shares outstanding.

McGregor offered \$32 a share in cash for 2.2 million shares of Fabergé and said it would acquire the remaining shares for a package of McGregor securities valued at \$32 a share.

If applied to all the company's stock, the transaction would be valued at \$179.8 million, up from the competing offer of \$168.6 million.

On Jan. 6, Fabergé said it had signed a letter of intent to be acquired and taken private by the investment firm of Gibbons, Green, van Amerongen.

In a leveraged buyout, the purchase is financed with money borrowed against the assets of the company being bought.

As part of the earlier agreement, Fabergé said it would pay Gibbons Green \$4 million if a tender offer were made or if Fabergé recommended a better offer from a third party to its shareholders.

McGregor filed a lawsuit in New York courts last week trying to block that transaction.

Fabergé, with brand names including Brut, Farrah-Fawcett, Babe and Tigress, earned \$2 million on sales of \$190.4 million in the first nine months of 1983.

McGregor had earnings of \$7.7 million on sales of \$133.6 million in the nine months ended last Oct. 29.

PORTNAX DEVELOPMENT LIMITED

Bid: U.S. \$7.74. Asked: U.S. \$7.74.

As of date: Jan. 16, 1984.

R. P. S. FINANCIAL PLANNING SERVICES BV

Kolkstraat 112, 3rd Floor

1012 PK AMSTERDAM, Holland.

Phone: (0) 20-20407/229/3; Telex: 18536.

Gold Options (prices in \$/oz.)

Month	Feb.	Mar.	Apr.	May
300	920.1125	920.0500	920.0500	920.0500
350	275.425	110.0000	202.0000	202.0000
400	—	25.425	400.0000	400.0000
450	—	—	375.500	375.500

Gold: \$720.9750

Valeurs White Wolf S.A.

1, Quai du Mont-Blanc

1211 Geneva 1, Switzerland

Tel. 81.25.1 - Telex 28.305

We are pleased to announce that

Michel Flasaquier

has joined our firm

as a Directeur

in the Paris office.

RUSSELL REYNOLDS ASSOCIATES, INC.

Executive Recruiting Consultants

7, Place Vendôme, 75001 Paris, France

NEW YORK BOSTON CHICAGO CLEVELAND DALLAS HONG KONG HOUSTON

LONDON LOS ANGELES MADRID PARIS SAN FRANCISCO STAMFORD WASHINGTON D.C.

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HITACHI, LTD.

(CDBs)

The undersigned announces that as from 1984 January 1984, at Kaa-Associatie N.V., Stationsstraat 172, Amsterdam, the CDBs (accompanied by an "Affidavit") of the CDBs Hitachi, Ltd. will be payable with Dfls. 19,77 net per CDB, repr. 500 shs. and Dfls. 39,54 net per CDB, repr. 1,000 shs. (div. per record-date 30.9.1983; gross Yen 3.5 pshs.) after deduction of 15% Japanese tax = Yen 262.50 = Dfls. 3,40 per CDB, repr. 500 shs. Yen 525 = Dfls. 6,98 per CDB, repr. 1,000 shs. Without an Affidavit 30% Japanese tax = Yen 350 = Dfls. 4,65 per CDB, repr. 500 shs. Yen 700 = Dfls. 9,30 per CDB, repr. 1,000 shs. will be deducted. After 30.4.1984 the div. will only be paid under deduction of 20% Japanese tax with resp. Dfls. 18,61; Dfls. 37,22 net per CDB, repr. 500 and 1,000 shs. each, in accordance with the Japanese tax regulations.

AMSTERDAM DEPOSITARY COMPANY N.V.

Amsterdam, 9th January 1984.

Kingdom of Sweden

U.S. \$150,000,000 Floating Rate

Notes Due January 1995

For the six months 16th January, 1984 to 16th July, 1984 the Notes will carry an interest rate of 10 1/8% per annum with a Coupon Amount of U.S. \$13112.85.

Bankers Trust Company, London

Fiscal Agent

For the six month period 13th January, 1984 to 13th July, 1984 The Notes will bear an interest rate of 10 1/8% per annum. Interest payable on 13th July, 1984.

Bankers Trust Company, London

Representative Office in New York

and the appointment of Mr. WARREN C. HUTCHINS

Executive Vice President

405 park Avenue - Suite 904 - New York 10022

Telephone (212) 308.59.89 - Telex 968.675

AL SAUDI BANQUE

Pleased to announce the opening of its REPRESENTATIVE OFFICE IN NEW-YORK

and the appointment of Mr. WARREN C. HUTCHINS

Executive Vice President

405 park Avenue - Suite 904 - New York 10022

Telephone (212) 308.59.89 - Telex 968.675

RÉPUBLIQUE TUNISIENNE

MINISTÈRE DE L'ÉCONOMIE NATIONALE

COMPAGNIE DES PHOSPHATES DE GAFSA

AVIS D'APPEL D'OFFRES INTERNATIONALES N° P 3428

La Compagnie des Phosphates de Gafsa, exploitant minier, dans le sud tunisien, se propose de louer le matériel suivant en deux variantes :

1^{re} variante :

- Un camion dumper de 75 t U.S. ;
- Une chargeuse sur pneus de 9 m³.

2^{de} variante :

- Un camion dumper de 120 t U.S. ;
- Une chargeuse sur pneus de 17 m³.

Les engins seront admis temporairement pour une période d'essai effective de l'ordre d'une à deux années moyennant un paiement de location dans les normes des cahiers des charges tenus à la disposition des soumissionnaires aux bureaux de la Compagnie des Phosphates de Gafsa, 9, Rue du Royaume d'Arabie Saoudite, à Tunis (Service Général).

L'acquisition définitive pourra être prononcée après la période sus-indiquée et ce en cas d'essai concluant.

Les intéressés par cet avis d'appel d'offres pourront retirer un exemplaire des cahiers des charges contre paiement de vingt dinars.

L'ouverture des plis aura lieu le 14 février 1984 à 9 h dans la salle des réunions de la Direction des Achat, 2130 Metlaoui. Les offres seront adressées au nom de Monsieur le Directeur des Achat de la C.P.G. à Metlaoui.

